

OCT 16 1916

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TWO SECTIONS—SECTION ONE

# The Commercial & Financial Chronicle

INCLUDING

Bank & Quotation Section

Railway Earnings Section

Railway & Industrial Section

Bankers' Convention Section

Electric Railway Section

State and City Section

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VOL. 103.

NEW YORK, OCTOBER 14 1916.

NO. 2677.

## Financial

### THE FARMERS' LOAN & TRUST COMPANY

Foreign Exchange, Cable Transfers,  
Travelers' Letters of Credit

The Company is a legal depository for moneys paid into Court, and is authorized to act as Executor, Administrator, Trustee, Guardian, Receiver, and in all other fiduciary capacities.

Acts as Trustee under Mortgages made by Railroad and other Corporations, and as Transfer Agent and Registrar of Stocks and Bonds.

Receives deposits upon Certificates of Deposit, or subject to check, and allows interest on daily balances.

Manages Real Estate and lends money on bond and mortgage.

Will act as Agent in the transaction of any approved financial business.

Depository for Legal Reserves of State Banks and also for moneys of the City of New York.

Fiscal Agent for States, Counties and Cities.

16-22 WILLIAM STREET  
475 FIFTH AVENUE  
NEW YORK

LONDON PARIS BERLIN

Established 1874.

### John L. Williams & Sons BANKERS

Corner 8th and Main Streets  
RICHMOND, VA.

Baltimore Correspondents:  
MIDDENDORF, WILLIAMS & CO., Inc.

### GARFIELD NATIONAL BANK

Fifth Avenue Building  
Corner Fifth Ave. and 23rd St., New York.  
Capital, \$1,000,000 Surplus, \$1,000,000

RUEL W. POOR, President.  
WILLIAM H. GELSHENEN, Vice-Pres.  
WILLIAM L. DOUGLAS, 2d Vice-Pres.  
ARTHUR W. SNOW, Cashier.  
RALPH T. THORN, Asst. Cashier.  
JOHN W. PEDDIE, Asst. Cashier.

### THE AMERICAN EXCHANGE NATIONAL BANK NEW YORK

Resources over \$100,000,000

First National Bank  
Philadelphia, Pa.

CHARTER NO. 1

ACCOUNTS INVITED

## Financial

### HARVEY FISK & SONS

62 Cedar St.  
15 East 45th Street  
NEW YORK

UNITED STATES BONDS  
NEW YORK CITY BONDS  
AND OTHER CHOICE  
INVESTMENT SECURITIES

### The National Park Bank of New York

Organized 1856.

Capital . . . . . \$5,000,000 00  
Surplus and Profits . . . . . 15,900,000 00  
Deposits Sept. 12, 1916 . . . . . 154,300,000 00

President

RICHARD DELAFIELD

Vice-Presidents

GILBERT G. THORNE JOHN C. VAN CLEAF

WILLIAM O. JONES

Cashier

MAURICE H. EWER

Manager Foreign Department

GEORGE H. KRETZ

Assistant Cashiers

WILLIAM A. MAIN J. EDWIN PROVINCE  
FRED'K O. FOXCROFT WILLIAM E. DOUGLAS  
ERNEST V. CONNOLLY HENRY L. SPARKS

## THE

### MECHANICS AND METALS NATIONAL BANK

20 NASSAU STREET

Capital . . . . . \$6,000,000  
Surplus and Profits . . . . . \$9,000,000  
Deposits (Sept. 12, 1916) \$181,000,000

### Francis Ralston Welsh, BONDS

OF RAILROAD, GAS AND ELECTRIC  
LIGHT AND POWER COMPANIES

109-111 SOUTH FOURTH STREET  
PHILADELPHIA

## Financial

### THE LIBERTY NATIONAL BANK

OF NEW YORK

BROADWAY and CEDAR ST.

Capital . . . \$1,000,000.00  
Surplus & Profits \$3,000,000.00

### HARRIS, FORBES & CO

Pine Street, Corner William  
NEW YORK

27 Austin Friars, LONDON, E. C.

HARRIS, FORBES & CO., Inc.  
BOSTON

Act as fiscal agents for municipalities and corporations and deal in Government, municipal, railroad and public utility

### BONDS FOR INVESTMENT

List on Application

Cable Address SABA, NEW YORK

### EDWARD B. SMITH & Co

ESTABLISHED 1892

## BANKERS

Members New York and Philadelphia  
Stock Exchanges

1411 CHESTNUT STREET, PHILADELPHIA  
30 PINE STREET NEW YORK

### The Chase National Bank of the City of New York

United States Depository

Capital . . . . . \$5,000,000  
Surplus and Profits (Earned) . . . . . 10,369,00  
Deposits . . . . . 280,768,00

OFFICERS.

A. BARTON HEPBURN, Chairman.

ALBERT H. WIGGIN, President.  
SAMUEL H. MILLER, Vice-President.  
EDWARD R. TINKER, Vice-President.  
CARL J. SCHMIDLAPP, Vice-President.  
ALFRED C. ANDREWS, Cashier.  
CHARLES C. SLADE, Asst. Cashier.  
EDWIN A. LEE, Asst. Cashier.  
WILLIAM E. PURDY, Asst. Cashier.  
CHARLES D. SMITH, Asst. Cashier.  
WILLIAM P. HOLLY, Asst. Cashier.  
GEO. H. SAYLOR, Asst. Cashier.  
M. HADDEN HOWELL, Asst. Cashier.

DIRECTORS.

Henry W. Cannon John J. Mitchell  
A. Barton Hepburn Guy E. Tripp  
Albert H. Wiggin James N. Hill  
George F. Baker Jr. Daniel C. Jackling  
Francis L. Hine Frank A. Sayles  
Charles M. Schwab



## Investment Houses and Drawers of Foreign Exchange

**J. P. MORGAN & CO.**Wall Street, Corner of Broad  
NEW YORK**DREXEL & CO., PHILADELPHIA**

Corner of 5th and Chestnut Streets

**MORGAN, GRENFELL & CO., LONDON**

No. 22 Old Broad Street

**MORGAN, HARJES & CO., PARIS**

31 Boulevard Hausmann

Securities bought and sold on Commission.

Foreign Exchange, Commercial Credits.

Cable Transfers.

Circular Letters for Travelers, available in all parts of the world.

**Brown Brothers & Co.,**

PHILA. NEW YORK. BOSTON.

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Connected by Private Wires

Philadelphia Boston Baltimore

Members N.Y., Phila. &amp; Boston Stock Exchanges

Buy and sell first-class Investment Securities on commission. Receive accounts of Banks, Bankers, Corporations, Firms and Individuals on favorable terms. Collect drafts drawn abroad on all points in the United States and Canada; and drafts drawn in the United States on foreign countries, including South Africa.

INTERNATIONAL CHEQUES.

CERTIFICATES OF DEPOSIT

Buy and sell Bills of Exchange and make cable transfers on all points. Issue Commercial and Travelers' Credits, available in all parts of the world.

Letters of Credit

BROWN, SHIPLEY &amp; CO., LONDON

T. Suffern Tailor

Grenville Kane

James G. Wallace

**TAILER & CO**

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**Investment Securities****Winslow, Lanier & Co.**

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BANKERS.

Deposits Received Subject to Draft, Interest

Allowed on Deposits, Securities

Bought and Sold on

Commission.

Foreign Exchange, Letters of Credit

**Kean, Taylor & Co.****Investment Securities**9 Nassau Street  
NEW YORK105 So. La Salle St.  
CHICAGO**John Munroe & Co.**

NEW YORK

BOSTON

Letters of Credit for Travelers

Commercial Credits.

Foreign Exchange

Cable Transfers.

MUNROE &amp; CO., Paris

**Maitland, Coppel & Co.**52 WILLIAM STREET  
NEW YORK

Orders executed for all Investment Securities. Act as agents of Corporations and negotiate and issue Loans.

Bills of Exchange, Telegraphic Transfers, Letters of Credit

on

Union of London &amp; Smiths Bank, Limited, London.

Messrs. Mallet Freres &amp; Cie, Paris.

Banco Nacional de Mexico,

And its Branches.

Agents for the Bank of Australasia.

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Available throughout the United States

**August Belmont & Co.**43 EXCHANGE PLACE, NEW YORK.  
Members New York Stock Exchange.

Agents and Correspondents of the

Messrs. ROTHSCHILD,

London, Paris and Vienna.

ISSUE LETTERS OF CREDIT

for Travelers

Available in all parts of the world.

Draw bills of Exchange and make Telegraphic Transfers to EUROPE, Cuba, and the other West Indies, Mexico and California.

Execute orders for the purchase and sale of Bonds and Stocks.

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New York

Investment securities bought and sold on commission. Travelers' credits, available throughout the United States, Cuba, Puerto Rico, Mexico, Central America and Spain. Make collections in and issue drafts and cable transfers on above countries.

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Paris Bankers:—Banque Francaise—Heine &amp; Co.

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Execute orders for purchase and sale of Stocks and Bonds.

Foreign Exchange Bought and Sold.

Issue Commercial and Travelers' Credits available in all parts of the world.

**Schulz & Ruckgaber**

27 Pine Street, - - - - - New York

Members New York Stock Exchange.

Correspondents of Messrs.

Fruhling &amp; Goschen, London.

John Berenberg-Gossler &amp; Co., Hamburg.

Marcuard, Meyer-Borel &amp; Cie, Paris.

Bremer Bank Filiale der Dresdner Bank, Bremen.

Issue Commercial and Travelers' Credits.

Buy and Sell Bills of Exchange.

Cable Transfers &amp; Investment Securities

**Hincks Bros. & Co.**207-209 State St.,  
BRIDGEPORT, CONN.

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We invite inquiries on all securities suitable for the Connecticut market.

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NEW YORK

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33 Pine Street, New York

**Investment Securities**

Members

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Buy and sell Securities on Commission and act as Fiscal Agents for Corporations

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Jordaen &amp; Cie, Paris

Russo-Asiatic Bank, Hong Kong

**GRAHAM & Co.**435 Chestnut Street  
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Government and Municipal Bonds, Securities of Railroads, Electric Railways, Gas and Electric Light and Power Companies of established value.

Foreign and Domestic Letters of Credit, Travelers' Checks, Foreign Drafts.

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Members of the New York Stock Exchange.

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Amsterdam, Holland.**BERTRON, GRISCOM & CO.**

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Land Title Building,  
PHILADELPHIA.40 Wall Street  
NEW YORK.19 Boulevard des Capucines  
PARIS**ALDRED & CO.**24 Exchange Place  
New YorkFiscal Agents for  
Public Utility and Hydro-Electric  
Companies

Investment and Financial Houses

**Lee, Higginson & Co.**

**BOSTON**

**New York**

**Chicago**

**HIGGINSON & CO.**

80 Lombard Street  
LONDON, E. C.

**Hornblower & Weeks**

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MEMBERS  
NEW YORK, BOSTON AND  
CHICAGO STOCK EXCHANGES

42 BROADWAY, NEW YORK

**Boston**

**Chicago**

**Providence**

**Portland**

**Detroit**

Established 1888

**Wm. Morris Imbrie & Co.**

Investment Securities

(Established 1882)

61 BROADWAY, NEW YORK

111 W. Monroe St., Chicago

**FRAZIER & CO.**

Investment Securities

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PHILADELPHIA

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New York.

211 E. German Street.  
Baltimore.

**Halsey, Stuart & Co.**

Successors to  
N. W. HALSEY & Co.  
An Ill. Corp.

Government, Municipal, Railroad  
and Public Utility Bonds.

Fiscal Agents for Cities and Corporations.

LA SALLE & ADAMS STREETS  
CHICAGO

**H. T. HOLTZ & CO.**

MUNICIPAL AND  
PUBLIC UTILITY  
BONDS

39 SOUTH LA SALLE STREET  
CHICAGO

**Wm. A. Read & Co.**

Investment Securities

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NEW YORK

CHICAGO

PHILADELPHIA

BOSTON

LONDON

NEW YORK

CHICAGO

BOSTON

**Goldman, Sachs & Co.**

Members of New York & Chicago Stock Exchanges

Wm. Goadby Loew  
Geo. C. Warren Jr. Arthur Tukey

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2 Wall Street  
New York

Members New York Stock Exchange

**P. J. Goodhart & Co.**

Dealers in

High Grade Industrials

Members of New York Stock Exchange

96 Broadway, New York

5½-6%

1st Mortgage Serial Real Estate Bonds

1st Mortgage Bonds of prosperous  
industrial corporations

**S. W. STRAUS & CO.**

ESTABLISHED 1882  
STRAUS BUILDING 150 BROADWAY  
CHICAGO NEW YORK  
DETROIT-MINNEAPOLIS

**Allerton, Greene & King**

Continental & Commercial Bank Bldg.  
CHICAGO, ILL.

RAILROAD, MUNICIPAL AND  
CORPORATION BONDS

List on Application.

**HARPER & TURNER**

INVESTMENT BANKERS

STOCK EXCHANGE BUILDING.

WALNUT STREET ABOVE BROAD

PHILADELPHIA

Members Philadelphia Stock Exchange

**MILLETT, ROE & HAGEN**

INVESTMENT SECURITIES

MEMBERS

NEW YORK STOCK EXCHANGE  
BOSTON STOCK EXCHANGE

52 WILLIAM ST.  
NEW YORK

15 CONGRESS ST.  
BOSTON

**The National City  
Company**

Investment Securities

The National City Bank Building  
New York

**ROBINSON & Co.**

U. S. Government Bonds

Investment Securities

26 Exchange Place New York  
Members New York Stock Exchange

**WILLIAM P. BONBRIGHT & COMPANY**

Incorporated

14 WALL STREET, NEW YORK

BOSTON

DETROIT

CHICAGO

PHILADELPHIA

LONDON

PARIS

William P. Bonbright & Co. Bonbright & Co.

PUBLIC UTILITY SECURITIES

**Arthur Perry & Co.**

180 Devonshire Street,  
BOSTON, MASS.

We purchase entire issues  
PUBLIC UTILITY BONDS

MUNICIPAL AND RAILROAD  
BONDS  
FOR INVESTMENT

**Colgate, Parker & Co.**

2 Wall Street, New York



## Foreign

**DEUTSCHE BANK**

BERLIN, W.

GENERAL OFFICE: BEHRENSTRASSE 9 TO 11  
DIRECTORS' OFFICE: MAUERSTRASSE 3,CAPITAL AND RESERVE, about \$102,380,000  
M 430,800,000Dividends paid during last ten years :  
12, 12, 12, 12½ 12½ 12½ 12½ 10 12½ %

## BRANCHES:

Aix la Chapelle, Augsburg, Barmen, Berncastel-Cues,  
Bielefeld, Bocholt, Bonn, Bremen, Brussels, Chemnitz,  
Coblenz, Cologne, Cologne-Mülheim, Constantinople, Cre-  
feld, Cronenberg, Darmstadt, Dresden, Düsseldorf, Elber-  
feld, Frankfurt-on-M., M.-Gladbach, Hagen, Hamburg,  
Hamm, Hanau, Leipsic, Meissen, Munich, Neheim, Neuss,  
Nuremberg, Offenbach, Paderborn, Remscheid, Rheidt,  
Saarbrücken, Solingen, Treves, Wiesbaden  
and theDeutsche Bank (Berlin) London Agency  
4 George Yard, Lombard St.,  
LONDON, E. C.**Banco Aleman Transatlántico**

(Deutsche Ueberseeische Bank)

CAPITAL ..... \$7,143,000  
(M 30,000,000)RESERVE ..... \$2,302,800  
(M 9,672,000)

HEAD OFFICE: BERLIN, Mauerstrasse 37-42

## BRANCHES.

ARGENTINA: Bahia Blanca, Buenos Aires, Cordoba,  
Mendoza, Rosario de Santa Fé, Tucuman.  
BOLIVIA: La Paz, Oruro.  
CHILI: Antofagasta, Concepcion, Iquique, San-  
tiago, Temuco, Valdivia, Valparaiso.  
PERU: Arequipa, Callao, Lima, Trujillo.  
URUGUAY: Montevideo.  
SPAIN: Barcelona, Madrid.**BANCO ALLEMÃO TRANSATLANTICO**BRAZIL: Petropolis, Rio de Janeiro, Santos, São  
Paulo.Bills sent for collection, negotiated  
or advanced upon.Drafts, cable-transfers and letters  
of credit issued. Private codes.**Direction der  
Disconto-Gesellschaft**

ESTABLISHED 1851

BERLIN W, 42-44 Behrenstrasse  
ANTWERPEN, BREMEN, ESSEN  
FRANKFORT-o-M., MAINZ, MÜLHEIM-RUHR  
SAARBRÜCKEN, CÖPENICK, CÜSTRIN  
FRANKFORT-o-O., HATTINGEN  
HÖCHST-o-M., HOMBURG v. d. H.  
OFFENBACH-o-M., ORANIENBURG  
POTSDAM, WIESBADEN  
LONDON, E. C.  
53 CornhillCAPITAL . . . . . \$ 71 428 571  
M 300 000 000RESERVE . . . about \$ 28 571 428  
rund M 120 000 000With the unlimited personal liability  
of the following partners:Dr. A. SALOMONSON  
M. SCHINCKEL  
Dr. E. RUSSELL  
F. URBIG  
Dr. G. SOLMSEN  
H. WALLER  
Dr. E. MOSLER  
Dr. H. FISCHER  
G. SCHLIEPER**INTERNATIONAL BANKING  
CORPORATION.** No. 60 WALL ST.  
NEW YORKCAPITAL & SURPLUS, \$6,500,000  
Buy and Sell Sterling and Continental Exchange  
and Cable Transfers. Negotiate, Draw or  
Receive for Collection Bills on Points in  
the Orient. Issue Letters of Credit.Branches at London, Bombay, Calcutta,  
Singapore, Canton, Hong Kong, Manila,  
Cebu, Shanghai, Tientsin, Peking, Han-  
kew, Kobe, Yokohama, San Francisco,  
Panama, Colon, Medellin.**Hong Kong & Shanghai  
BANKING CORPORATION**Paid-up Capital (Hong Kong Currency).....\$15,000,000  
Reserve Fund (In Gold.....\$15,000,000).....\$33,000,000  
In Silver.....18,000,000)  
Reserve Liabilities of Proprietors.....15,000,000  
GRANT DRAFTS, ISSUE LETTERS OF CREDIT,  
NEGOTIATE OR COLLECT BILLS PAYABLE IN  
CHINA, JAPAN, PHILIPPINES, STRAITS SET-  
TLEMENTS, INDIA.

WADE GARDNER, Agent, 36 Wall St.

**The Union Discount Co.  
of London, Limited**

39 CORNHILL.

Telegraphic Address, Udisco, London.

Capital Authorized .....\$10,000,000  
Capital Subscribed.....8,500,000  
Capital Paid-Up.....4,250,000  
Reserve Fund.....4,000,000  
\$5=£1 STERLING.NOTICE IS HEREBY GIVEN that the  
RATES OF INTEREST allowed for money  
on deposit are as follows:

At Call 4½ Per Cent.

At 3 to 7 Days' Notice 4¼ Per Cent.

The Company discounts approved bank and  
mercantile acceptances, receives money on de-  
posit at rates advertised from time to time, and  
grants loans on approved negotiable securities.

CHRISTOPHER R. NUGENT, Manager.

**LONDON COUNTY AND  
WESTMINSTER BANK  
LIMITED**SUBSCRIBED CAPITAL £14,000,000,  
In 700,000 Shares of £20 each.Paid-up Capital . . . £3,500,000  
Reserve . . . . . £4,000,000

## HEAD OFFICE

41, Lothbury, London, E. C.

## PARIS

LONDON COUNTY & WESTMINSTER BANK  
(PARIS) LIMITED,  
22, Place Vendôme.**BANCA COMMERCIALE ITALIANA**

Head Office MILAN

Paid-up Capital.....\$31,200,000  
Reserve Funds.....\$11,894,000London Office, 1 OLD BROAD STREET, E. C.  
Manager: E. Consolo.West End Agency and London Office of the  
Italian State Railways, 12 Waterloo Place,  
Regent St., S. W.

Correspondents to the Italian Treasury.

## BRANCHES IN ITALY:

Acireale, Alessandria, Ancona, Bari, Bergamo,  
Biella, Bologna, Brescia, Busto Arsizio, Cagliari,  
Caltanissetta, Canelli, Carrara, Catania, Como,  
Cremona, Ferrara, Florence, Genoa, Ivrea, Lecce,  
Lecco, Leghorn, Lucca, Messina, Naples, Novara,  
Oneglia, Padua, Palermo, Parma, Perugia, Pes-  
cara, Piacenza, Pisa, Prato, Reggio Emilia, Rome,  
Salerno, Saluzzo, Sant. Agnello, Sampier-d' Arena,  
Sassari, Savona, Schio, Sestri Ponente, Syracuse,  
Termini Imerese, Trapani, Turin, Udine, Venice,  
Verona, Vicenza.Agents in London for  
BANQUE FRANÇAISE ET ITALIENNE POUR  
L'AMÉRIQUE DU SUD,  
Buenos Ayres, Rio de Janeiro, San Paulo, Santos,  
&c. Societa Commerciale d'Oriente, Tripoli.**Swiss Bankverein**

Schweizerischer Bankverein Bankverein Suisse

Basle, Zurich, St. Gall, Geneva, Lausanne

Agencies at Bienne, Aigle, Chlasso, Herisau,  
Rorschach.

LONDON OFFICE, 43 Lothbury, E. C.

West End Branch.....11 Regent Street,  
Waterloo Place, S. W.Capital paid up, . . Frs. 82,000,000  
Surplus, . . . . . Frs. 27,750,000**The National Discount  
Company, Limited**35 CORNHILL . . . . . LONDON, E. C.  
Cable Address—Natdis, London.Subscribed Capital.....\$21,166,625  
Paid-up Capital.....4,233,325  
Reserve Fund.....2,525,000  
(\$5=£1 STERLING.)NOTICE IS HEREBY GIVEN that the  
RATES OF INTEREST allowed for money  
on deposit are as follows:

At Call 4½ Per Cent Per Annum.

At 3 to 7 or 14 Days' Notice, 4¼ Per Cent.

Approved bank and mercantile bills discounted.  
Money received on deposit at rates advertised  
from time to time and for fixed periods upon  
specially agreed terms.Loans granted on approved negotiable securities.  
PHILIP HAROLD WADE, Manager.

## AUSTRALIA &amp; NEW ZEALAND

**BANK OF  
NEW SOUTH WALES**

(ESTABLISHED 1817.)

Paid-up Capital.....\$17,500,000  
Reserve Fund.....13,375,000  
Reserve Liability of Proprietors.....17,500,000  
\$48,375,000Aggregate Assets 31st March 1916 \$310,327,208  
J. RUSSELL FRENCH, General Manager341 BRANCHES AND AGENCIES in the Aus-  
tralian States, New Zealand, Fiji, Papua (New  
Guinea), and London.The Bank transacts every description of  
Australian Banking Business.Wool and other Produce Credits arranged.  
Head Office London Office  
GEORGE STREET 29, THREADNEEDLE  
SYDNEY STREET, E. C.**THE UNION BANK OF AUSTRALIA Limited**

Established 1837

Incorporated 1880

Capital—  
Authorized and Issued.....£6,000,000  
Paid-up Capital £3,000,000 To-  
Reserve Fund.....£1,960,000 gether £3,960,000  
Reserve Liability of Proprietors.....£4,000,000

Total Capital and Reserves.....£7,960,000

The Bank has 41 Branches in VICTORIA, 39 in  
NEW SOUTH WALES, 19 in QUEENSLAND,  
14 in SOUTH AUSTRALIA, 23 in WESTERN  
AUSTRALIA, 3 in TASMANIA and 44 in NEW  
ZEALAND.Head Office: 71 CORNHILL, LONDON, E. C.  
Manager—A. C. Willis,  
Assistant Manager—W. J. Essame.**ERNESTO TORNUST & CO., Lda.**

BUENOS AIRES

Established 1830

Oldest business establishment in the  
River PlateCapital fully paid up and Reserves  
£2,411,983General Financial, Banking and  
Commercial Business**Wiener Bank - Verein**

ESTABLISHED 1869.

CAPITAL (fully paid) . . . \$30,395,100  
RESERVE FUNDS . . . \$9,726,444HEAD OFFICE, VIENNA (Austria)  
27 Vienna Branch Offices.Branches in Austria-Hungary  
Agram, Aussig a-E., Bielitz-Biala,  
Bozen, Brünn, Budapest, Budweis,  
Carlsbad, Czernowitz, Drohobycz,  
Friedek-Mistek, Graz, Innsbruck,  
Jägerndorf, Klagenfurt, Krakau, Lem-  
berg, Mähr-Ostrau, Marienbad, Meran,  
Nowosielitz, Pardubitz, Pilsen, Prag,  
Prossnitz, Przemysl, Salzburg, St. Pöl-  
ten, Stanislaw, Tarnopol, Tarnow, Tep-  
litz, Teschen, Villach, Wr. Neustadt  
and Zwittau.Branches in Turkey  
Constantinople, Smyrna**CLERMONT & Co.**

BANKERS

GUATEMALA,  
Central America

Cable Address: "Clermont"

**LEU and CO.'S BANK,**

LIMITED.

ZURICH (Switzerland)

Founded 1755.

Capital Paid up and  
Reserve Fund..... Frs. 45,000,000EVERY DESCRIPTION OF BANKING BUSI-  
NESS TRANSACTED.[Bills of Exchange negotiated and collected.  
Drafts and Letters of Credit issued.Telegraphic Transfers effected.  
Booking and Travel Department.

## Canadian

## Canadian

Government and Municipal  
Bonds

We invite correspondence regarding Canadian Government and Municipal Bonds to yield from  
**5% to 6%**

**Wood, Gundy & Co.**

14 Wall St., New York

Toronto Montreal London

Canadian Government,  
Municipal and  
Corporation Bonds**R. C. Matthews & Co.**

C. P. R. Building, Toronto, Ont.

Canada Bond  
Corporation, Limited

59 Yonge St. - Toronto

GOVERNMENT and  
MUNICIPAL BONDS

Correspondence Solicited

Canadian  
Government, Municipal  
School and Fabric  
BONDS

We invite correspondence  
Municipal and School Bonds  
to yield from  
**5% to 6%**

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MONTREAL, CANADA**Greenshields & Company**

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Canadian  
Municipal and Public Utility  
Bonds**NESBITT, THOMSON & CO.**

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**Canadian Government Issues**  
Offerings, Quotations  
and information furnished on  
request.

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35 WALL STREET  
Telephones 7528 Hanover New York  
7529

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**61 BROADWAY, NEW YORK**

Muskegon Grand Rapids &amp; Ind. 5s, 1926

New England Navigation 6s, 1917

Chesapeake &amp; Ohio—Greenbrier 4s, 1940

**WE DEAL IN** Wabash Railway 4% Notes, 1920

Northwestern Terminal 5s, 1926

Rio Grande Junction 5s, 1939

Rutland Railroad 4½s, 1941

Pere Marquette—All Issues

Mason City &amp; Fort Dodge 4s, 1955

Cincinnati Hamilton &amp; Dayton Ref. 4s, 1959

Southern Indiana 4s, 1951

Mobile &amp; Birmingham 4s and 5s, 1945

Terre Haute &amp; Peoria 5s, 1942

**AND ALL RAILROAD AND STEAMSHIP SECURITIES****HARNICKELL & JOSEPH**

Dealers in

**High Grade Bonds**

5 Nassau Street, New York

Phone 9165 Rector

Albany & Susquehanna 3½s, 1949  
 Ch. St. P. Minn. & Om. Cons. 6s, 1930  
 Kan. City Ft. S. & Mem. Cons. 6s, 1928  
 Kentucky Central 4s, 1987  
 L. & N. Pensacola Div. 6s, 1920  
 Colorado & Southern 4½s, 1935  
 Paducah & Illinois 4½s, 1940  
 Toledo & Ohio Central 1st 5s, 1935

**Shuman & Seligmann**Members of the New York Stock Exchange  
30 BROAD ST. Tel. 6723 Broad**\$95,000****Polk County, Tennessee****5%**

Road Improvement Bonds

Due April 1, 1956

**Seasongood & Mayer**Ingalls Building  
CINCINNATI**WOOD, STRUTHERS & CO.**

37 Wall Street

**NEW YORK**

Chic. &amp; North West. gen. 5s, 1987

Minn. St. P. &amp; S. S. M. 1st 4s, 1938

Central Pacific ref. 4s, 1949, regis

Alabama Great Southern 5s, 1943

Houston Texas Central 4s-5s

Chicago &amp; Alton 3s

Wheeling &amp; Lake Erie 4s &amp; 5s

New Amsterdam Gas 5s

Argentine Government 5s

New York Chicago &amp; St. Louis 4s

Colorado Fuel 5s

**Hartshorne & Battelle**

Members of the New York Stock Exchange

**25 BROAD STREET NEW YORK**

WE OWN AND OFFER

**RAILROAD EQUIPMENT BONDS**

Maturing 1920-1927

TO YIELD 4.20-5.40%

List of offerings on application.

**FREEMAN & COMPANY**

Car Trust Securities

34 PINE STREET, NEW YORK.

**GARTENLAUB & CO.**

5 NASSAU STREET, NEW YORK

TEL. RECTOR 9440

Minneapolis & St. Louis Pac. Ext. 6s	1921
Nash. Chatt. & St. Louis 5s	1928
Lehigh Valley of N. Y. 4½s	1940
Erie Consolidated 7s	1920
Grand Rapids & Ind. 4½s	1941
Milwaukee Gas Light 1st 4s	1927
Rio Grande & Western 1st 4s	1939
Third Avenue 1st 5s	1937

**WANTED**

Laramie Hahn's Pk. & Pac. 6s  
 Shreveport Water Co. 5s  
 York Hav. Wat. & Pow. 5s & 6s  
 Kanawha Water & Lt. Co. 5s  
 Jamaica Water Supply 5s  
 Peoria Wat. Wks. Co. 4s & 5s  
 City Water Co., Sedalia, 5s  
 City Lt. & Tract. (Sedalia) 5s  
 Anniston Water Supply 4s  
 Defiance Water Co. 6s  
 Combination Bridge Co. 5s  
 Astoria, Oregon, 5s

**H. C. SPILLER & CO.**

INCORPORATED

27 State Street  
Boston63 Wall Street  
New York**TIDE WATER POWER CO.**

(Wilmington, N. C.)

FIRST MORTGAGE 5s

Due January, 1949.

EARNINGS REPORTED YEAR ENDING  
AUG. 31, 1916.

Gross	\$460,154 72
Net, after Operating and Taxes	164,089 49
Rental of Leased Property	30,040 00
Interest on Tide Water Power 5s	33,308 30

Followed by preferred stock paying 6% and  
 common stock paying 7% dividends.  
 PRICE, TO YIELD 5.25%

**Robt. Glendinning & Co.**

400 Chestnut St., Philadelphia

**St. Louis & San Francisco R.R. Co.**

Equitable Trust Co. of N. Y. (Paris Br.)

Certfs. for Gen. Lien 15-20 5% Gold Bds.

**SUTRO BROS. & CO.**

120 BROADWAY, NEW YORK

Members of New York Stock Exchange

Penn Cent. Lt. &amp; P. Co. 6s, due 1963

Colo. Spgs. Lt. &amp; P. 1st 5s, du 1919

Empire Gas &amp; F. Co. 1st 6s, due 1926

Ft. Wayne &amp; Wab. Vy. Cons. 5s, due 1934

**MELLOR & PETRY**

336 COMMERCIAL TRUST BUILDING

16 SOUTH BROAD STREET

PHILADELPHIA, PA.

Members New York and Phila. Stock Exchanges

WE OWN AND OFFER

Baltimore & Ohio Equip. 4½s	1920-1925
C. C. C. & St. L. Equip. 5s	1920-1926
Cin. Ind. & West. Equip. 5s	1922
Erie RR. Equip. 4½s	1920
Chic. R. I. & Pac. Equip. 4½s	1920-1926
New York Central Lines Equip. 4½s	1920-1928

**BULL & ELDREDGE**

SHORT TERM SECURITIES

31 Nassau Street, N. Y. Tel. 632 Cort.

Richmond &amp; Danville 5s, 1927

Cumb. &amp; Penn. RR. 1st 5s, 1921

Birmingham Ry. &amp; Elec. 1st 5s, 1924

Terre Haute Electric 1st 5s, 1929

**Strother, Brogden & Co.**

Members of Baltimore Stock Exchange

Calvert &amp; German Sts., BALTIMORE

We Buy, Sell and Quote

**Unlisted Sugar Stocks****SLATTERY & CO.**

40 Exchange Place, New York

## Current Bond Inquiries

North Amer. Pulp & Paper Com.  
Atlantic Steel 6s, 1941  
Niagara Falls Power 8% Stock  
American Real Estate Deb. 6s  
Columbia National Life Ins. Co.

**HOTCHKIN & CO.**

Incorporated.

84 Pine St., N. Y. 53 State St., Boston.  
Phone 4161 John Private Phone to Boston.

Rome Gas, Elec. Light & Power  
5s, due.....1931  
Rockford Gas Light & Coke  
5s, due.....1950  
Quincy Gas & Electric  
5s, due.....1929  
Nassau & Suffolk Lighting  
5s, due.....1945

**BIOREN & CO.**

314 Chestnut Street  
PHILADELPHIA

United Railways of St. Louis 4s  
St. Louis Transit 5s  
Union Depot RR. Co. 1st 6s  
Ark. & Mem. Ry. Bdge. 6s, 1918

**NEWBORG & CO.**

Members New York Stock Exchange  
60 BROADWAY, N. Y.  
Telephone, 4390 Rector  
PRIVATE WIRE TO ST. LOUIS

Union Pacific 1st 4s, 1947  
Utah & Northern 5s, 1926  
Ill. Cent. Louis. Div. Term. 3 1/2s

**BURGESS, LANG & CO.**

Sears Building Adams Exp. Bldg  
BOSTON NEW YORK

Merchants National Bank  
American Surety Company  
Market & Fulton Nat'l Bank

**FRANK J. M. DILLON**

74 Broadway NEW YORK, N. Y.  
Tel. 548 Rector

We Deal in Underlying Bonds of  
PENNSYLVANIA RR.  
PHILA. & READING RY.  
LEHIGH VALLEY RR.

**Henry & West**

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Members New York and Phila. Stock Exchanges

CARBON STEEL  
LIMA LOCOMOTIVE  
PITTSBURGH STEEL COM.  
DOMINION STEEL PFD.

**C. H. HENSEL**

111 B'way, New York Tel. Rector 3672-3-4-5

Butler Water Co. 5s (Pa.)  
Butte Water Co. 5s (Mont.)  
Kokomo Water Co. 5s (Ind.)  
Muncie Water Co. 5s (Ind.)  
Birmingham Water Co. 5s (Ala.)  
Owego Water Co. 5s (N. Y.)  
Huntington Water Co. 5s (W. Va.)

**F.W.MASON COMPANY**  
53 STATE STREET, BOSTON

**Municipal Bonds**

FREE OF FEDERAL INCOME TAX.

Our July circular, No. 1100, contains 40 issues  
yielding 4% to 5 1/4%. Copy sent upon request.

Correspondence solicited

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MUNICIPAL BONDS

39 SOUTH LA SALLE STREET  
CHICAGO

Dime Bank Bldg., 115 Broadway.  
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**ADAMS COUNTY, ILLINOIS**

Drainage District Bonds

Serial payments, 1920 to 1930

Yielding 5% to 5.40%

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29 So. La Salle St., Chicago

**WANTED**

Norfolk St. RR. Co. 1st 5s, 1944  
Norfolk Ry. & Light 5s, 1949

**Middendorf, Williams & Company**

Incorporated

INVESTMENT SECURITIES  
BALTIMORE, MD.

We Specialize In  
Cities Service Com. & Pref.  
Cities Service Debentures  
Cities Service Debenture Certs.  
Tol. Trac. Lt. & Pow. Com. & Pref.  
American Light & Traction

**Williams, Troth & Coleman**

60 Wall St. Phone 5980 Hanover, New York

N. Y. Central Refund. 4 1/2s, 2013  
N. Y. Central Consol., due 1998  
I. R. T. 5s, 1966  
N. Y. Telephone 4 1/2s, 1939  
General Electric 5s, 1952  
All Cuban Securities

**MILLER & COMPANY**

Members New York and Chicago Stock Exchanges  
29 B'way Phone 3900 Rector New York

Northern Central Ry. 4 1/2s & 5s  
Columbus St. Ry. Co. 1st 5s, 1932  
East Ohio Gas Co. 1st 5s, 1939  
St. Paul City Ry. Cable Cons. 5s, '37

**RIGGS & McLANE**

Members Baltimore Stock Exchange

32 South Street,  
BALTIMORE, MARYLAND.

**STANDARD**

Weekly Summary **O** Will be mailed  
on **I** to  
Standard Oil **L** investors on  
Issues. request.

**CARL H. PFORZHEIMER & CO.**

Phone 4860-1-2-3-4, Broad 25 Broad St., N. Y.

**J. S. FARLEE & CO.**

Established 1882

66 BROADWAY, NEW YORK

Ann Arbor Equip.  
Rock Island Equip.  
St. Croix Power 5s  
Central Vermont Trans. 5s  
Rio Grande Junction 5s  
J. I. Case Threshing Machine 6s

**U. S. INCOME**

TAX FREE

Send for Bond List No. 585

**C. E. DENISON & CO.**  
BOSTON and CLEVELAND

Mason City & Fort Dodge 4s, 1955  
Missouri Pacific Coll. 5s, 1917 & 1920  
Wisconsin Central ref. 4s, 1959  
Cinc. Ind. St. Louis & Chic. 4s, 1936  
Denv. & Rio Grande Adj. Inc. 7s, 1932

**WOLFF & STANLEY**

27 William Street, New York  
Telephone 6557 Broad

**ROCK ISLAND  
EQUIPMENTS**

Special Circular upon request

**GEO. S. FOX & SONS**

Commercial Trust Building  
PHILADELPHIA

Members N. Y. and Phila. Stock Exchanges

Tax Exempt

**NEW YORK ONTARIO & WEST.**  
REFUNDING 4s

**VICKERS & PHELPS**

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Members of New York Stock Exchange

Colorado & Southern 4s  
Colorado & Southern 4 1/2s  
Memphis Union Station 5s  
Hocking Valley 4 1/2s  
West Va. & Pittsburgh 4s  
Va.-Car. Chemical 5s  
Nor. Pac. Ref. & Impt. 4 1/2s

Particulars on request.

**Knauth-Nachod & Kuhne**

Members New York Stock Exchange  
Equitable Building, New York

B. & O., Pitts. L. E. & W. Va. 4s  
Union Pacific Refunding 4s  
St. Jos. & Grand Island 4s  
Twin City Rapid Transit 5s  
Russian Internal 5 1/2s, Bonds & Recpts.  
Shawinigan Water Power 5s  
United RR. St. Louis Pref. Stock  
Illinois Central Refunding 4s  
Spokane International 5s  
Pere Marquette Debenture 6s  
C. H. & D. Issues  
Chicago & Eastern Illinois Issues  
M. K. & T. Issues

**SAM'L GOLDSCHMIDT**

Phones 5380-1-2-3 Broad

25 Broad Street



## Current Bond Inquiries

**Berdell Brothers**  
Public Utility Securities  
111 Broadway N. Y.

Appalachian Power Co. 1st 5s, 1941  
Northern States Pow. Co. 1st 5s, 1941  
Mississippi River Pow. Co. 1st 5s, 1951  
Great Western Power Co. 1st 5s, 1946  
Salmon River Power Co. 1st 5s, 1954

Private Phones to Philadelphia &amp; Boston

Chicago Interurban Traction  
5s, 1932

Knickerbocker Ice  
5s, 1941

**BABCOCK, RUSHTON & CO**

Members N. Y. and Chicago Stock Exchanges  
Home Ins. Bldg. 7 Wall Street  
Chicago New York

Russian Government 5½s, due 1926

We are prepared to quote a close  
market at all times in this issue.

Special circular upon request.

**R. G. WHITEMORE & CO.**

Established in 1901  
40 EXCHANGE PL., NEW YORK

**New Jersey  
Securities****OUTWATER & WELLS**

15 Exchange Place Tel. 20 Jersey City.  
Jersey City, N. J.

**NEW JERSEY  
INVESTMENT SECURITIES****J. S. RIPPEL & COMPANY**

18 CLINTON STREET NEWARK, N. J.  
Tel. 3250-3251-3252 Mulberry.

**WE WILL BUY**

Acme White Lead & Color Wks. 6s  
Michigan Securities a Specialty

**JOEL STOCKARD & CO.**

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**Pennsylvania Municipals**

Free of All Taxes

Yielding from 4.10% to 4.25%

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A limited number of the mortgage bonds of one  
of the most prominent PAPER MANUFACTUR-  
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TO YIELD 6%

Plant located in Northern New York  
Net Earnings exceed 5 times interest requirements.  
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Republic Railway & Light  
Common

**HENRY D. BOENNING & CO.**

Stock Exchange Bldg., PHILADELPHIA  
Direct Private telephone to N. Y. and Boston

**Chicago & Western  
Indiana R. R.**

5% Secured Notes Due Sept. 1, 1917

To Yield 4¾%

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Stock Exchanges  
49 WALL STREET

Boston New York Chicago

Underlying Liens of the Atl. Coast Line RR.  
" " " Southern Railroad  
" " " Seaboard Air Line Ry  
Southern Municipals.

**J. HARMANUS FISHER & SON**

(Established 1874.)

7 SOUTH ST. BALTIMORE, MD.  
Members Baltimore Stock Exchange

**WANTED**

City of Louisville, Kentucky,  
Bonds, All Issues.

**J. J. B. HILLIARD & SON**

LOUISVILLE, KY.

Easton Gas Wks. 1st Cons. 5s, 1950  
Tampa Gas Co. 1st 5s, 1937  
Webster C. & C. Co. 1st Con. 5s, 1942

**STEEL, JONES & CO.**

Lafayette Building, First Floor  
PHILADELPHIA, PA.

Members of Philadelphia Stock Exchange

We Specialize in  
Grant Motor Com. & Pref.  
Briscoe Motor Com. & Pref.  
Saxon Motors  
Hupp Motor Com. & Pref.  
and All Motor Shares

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108 So. La Salle St., CHICAGO  
34 Pine Street, NEW YORK

Cleveland Philadelphia Detroit

**Tax Exempt  
Guaranteed Stocks****Joseph Walker & Sons**

Members New York Stock Exchange  
61 Broadway New York  
Private Wire to Philadelphia

**OTTO ABRAHAM**

10 Wall St., N. Y. Tel. Rector 6963

**ARGENTINE INTERNAL 5s**

of 1909, Unlisted Numbers

BOUGHT, SOLD AND QUOTED

American Gas & Elec. 6s, 2014  
American Power & Lt. 6s, 2016  
Lincoln Gas & Elec. 5s, 1941  
Pacific Power & Light Preferred

**H. L. NASON & CO.,**

85 Devonshire St., BOSTON

**W. C. Langley & Co.****Investments**

115 Broadway, New York City

**WANTED**

Fairmont Coal 1st 5s  
Toledo & Ohio Central RR. 1st 5s  
Harlem River & Pt. Chester 1st 4s

**TOBEY & KIRK**

Members New York Stock Exchange  
25 Broad Street - - - NEW YORK

**WANTED**

Cent. of Ga., Upper Cahaba 4s, 1922  
Det. Gr. Rap. & Western 4s, 1946  
Kan. City Mem. & Birm. 4s & 5s, 1934  
Rio Grande Southern 1st 4s, 1934

**WM. A. C. EWEN**

Established 1898

74 Broadway Tel. Rector 192-3

Evansville Gas & Electric 1st 5s, 1932  
Northern Indiana Gas & Elec. 5s, 1929  
Lehigh & New Eng. RR. Gen. 5s, 1954  
Wilmington Gas Co. Preferred Stock  
**SAMUEL K. PHILLIPS & CO.**  
427 Chestnut Street PHILADELPHIA

**RUSSIAN 5½% INTERIOR  
LOAN 1916****RUSSIAN 4% INTERIOR  
LOAN 1894****FRENCH 5% NEW WAR  
LOAN****ITALIAN 5% INTERNAL  
LOAN 1941**

Purchases of Foreign Government and Municipal  
Bonds effected in London, Paris, Berlin, Petro-  
grad, Amsterdam and other principal European  
markets.

Descriptive Circular D-20 on Application.

**A. A. Housman & Co.**

Members { New York Stock Exchange  
New York Cotton Exchange  
N. Y. Coffee & Sugar Exchange

20 Broad Street New York  
Amsterdam Berlin

**WANTED**

South Pacific Coast 4s  
New Orleans & Mobile 1st 6s  
Pocahontas Cons. Collieries 5s, '57  
International Great Northern 6s  
C. C. C. & St. L., St. L. Div. 4s  
Ohio River General 5s  
New Haven 4s, 1955-1956  
West Virginia & Pittsburgh 4s  
Penn. & N. W. 5s, 1930  
Bos. & Maine Notes—Not Extend.

**BAKER, CARRUTHERS & PELL**

Bonds—Bank Stocks—Standard Oil Stocks

15 BROAD ST., NEW YORK

Phones { 1320 to 1323 } Hanover  
7330 to 7333

Current Bond Inquiries.

Send for This Book

Describing  
Standard Gas and  
Electric Company

**THE 6% Gold Notes** of Standard Gas & Electric Company are an unusually attractive investment. We will mail you without charge our new 64-page book containing 150 photographs of the prosperous utility properties comprising the organization, serving a diversely located population in excess of 1,800,000. Graphic charts show stability and growth of earnings 1911-15, inclusive. All operating units are under our own experienced management.

Denominations \$50, \$100, \$500, \$1,000

Ask for Circular CC-24

**H. M. Byllesby & Company**

Incorporated  
220 So. La Salle St., CHICAGO  
Gas Bldg., Tacoma, Wash. 1220 Trinity Bldg. New York City



**PORT OF ASTORIA  
OREGON  
HARBOR 5% BONDS**

Dated Jan. 1, 1916 Due Serially  
FINANCIAL STATEMENT

Estimated real valuation.....\$50,000,000  
Assessed Valuation for 1915.....20,597,022  
Total Indebtedness, including  
this issue.....625,000

Population (est.), 25,000  
A direct obligation of all the taxable  
property in the Port.

Price to Net 4.60%  
BOND DEPARTMENT

**Union Trust Company**

Madison and Dearborn Sts.,  
CHICAGO

Columbia Gas & Electric 1st & Deb. 5s  
Augusta-Aiken Electric Railway 5s  
Colorado Power 5s  
Northern States Power 5s & Notes  
Southern California Edison 5s  
Consol. Cities Light, Pow. & Trac. 5s

Central States Electric  
Federal Light & Traction  
Cities Service  
Standard Gas & Electric  
Western Power Common  
Toledo Traction, Light & Power

American Chicel  
Eastern Steel  
Carwen Steel Tool  
Hendee Manufacturing Pfd.  
By-Products Coke Corporation  
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61 BROADWAY - NEW YORK  
Phones: Rector 6220 to 6226

Financial

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**WE WILL BUY**

BROWN CORPORATION.....6s  
GOODYEAR REDWOOD CO.....6s  
OZAN-GRAYSONIA LUMBER CO.....6s  
BROOKINGS TIMBER & LUMBER CO.....6s  
GRAYSON-McLEOD LUMBER CO.....6s

**WE WILL SELL**

C. & O. LUMBER CO.....6s  
CACHE CREEK TIMBER CO.....6s

We have an Active Market for All Timber Bond Issues

Correspondence Invited

JAMES D.  
**LACEY TIMBER CO.**

332 So. Michigan Ave., CHICAGO

**A Financial War Map  
of Europe and Asia**

has just been prepared by us. This map gives the relative areas of the belligerent nations and statistics regarding their national and per capita wealth, income, debts, and other important data. A complimentary copy of this map will be sent on request to those interested in foreign securities.

**A. B. Leach & Co.**

Investment Securities

62 Cedar St., New York  
PHILADELPHIA

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**AMERICAN MFG. CO.**

MANILA, SISAL AND JUTE

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Sales Office:

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BROKER**

Tribune Building, NEW YORK, N. Y.

**FOR SALE.**—Timber, Coal, Iron, Ranch and other properties.  
Confidential Negotiations, Investigations, Settlements, Purchases of Property, United States, West Indies, Canada, Mexico

**WANTED**

**Commercial & Financial Chronicle**  
October 30, 1915, Issue.

AND

January 1st, May 20th, and 27th

ALSO

**Bank and Quotation Section**  
January 1914

Will pay 20 cents each

**William B. Dana Company**

138 Front St., New York.

**H. D. Walbridge & Co.**

14 Wall Street, New York

**Public Utility Securities**

**LUDWIG & CRANE**

Successors to T. W. Stephens & Co.

**Investment Securities**

61 Broadway

New York

**BANKERS TRUST COMPANY**

Acts as  
Executor  
Trustee  
Custodian  
Agent



Accepts  
Deposits  
and Pays  
Interest  
on them

**Canadian Securities**

**W. GRAHAM BROWNE & CO.**

222 St. James Street  
MONTREAL

Correspondence Solicited



## Financial

We offer, subject to prior sale

**\$400,000****Baltimore & Ohio Railroad Co.  
West Virginia & Pittsburgh Railroad Co.****First Mortgage Gold 4% Bonds**

Due April 1, 1990

**at 86 $\frac{3}{4}$  and accrued interest, to yield approximately 45 $\frac{1}{8}$ %**

These bonds are secured by a first mortgage on 177 miles of road in West Virginia, and by a lien on 134,842 acres of valuable coal, timber and mineral lands. They are assumed by the Baltimore & Ohio Railroad Company and are a direct obligation of said Company.

They rank in lien prior to the Baltimore & Ohio, Pittsburgh Lake Erie & West Virginia Refunding Mortgage 4s and the Refunding & General Mortgage 5s, under the terms of which their retirement is provided for at maturity.

They are a legal investment for Savings Banks in New York, Massachusetts, Connecticut and other States.

*We recommend these bonds for investment***Knauth-Nachod & Kuhne**

Members N. Y. Stock Exchange

Equitable Building, New York

**NEW INCOME TAX LAW  
AND ESTATE TAX LAW**

We have prepared for the use of our clients a new edition of our income tax booklet which contains an analysis of and comments on the new Income Tax Law, together with the full text of the statute in convenient form. This booklet also contains an analysis of and comments on the Federal Inheritance Law, recently enacted. We shall be pleased to send to investors on request a copy of this booklet.

Ask for Booklet No. 2

**HARRIS, FORBES & CO**

Pine Street, Corner William

NEW YORK

## Dividends

**THE KANSAS CITY SOUTHERN  
RAILWAY COMPANY.**

No. 25 Broad Street, New York, Sept. 19, 1916.  
A quarterly dividend of ONE (1) PER CENT has this day been declared upon the Preferred Stock of this Company, from surplus earnings of the current fiscal year, payable October 16, 1916, to stockholders of record at 12:00 o'clock noon, September 30, 1916.  
Checks in payment of the dividend will be mailed to stockholders at the addresses last furnished to the Transfer Agent.

G. C. HAND, Secretary.

**THE MILWAUKEE ELECTRIC  
RAILWAY & LIGHT COMPANY.**

No. 30 Broad St., New York, October 4, 1916.  
SIXTY-EIGHTH REGULAR DIVIDEND.  
The regular quarterly dividend of one and one-half per cent upon this Company's Preferred Capital Stock will be paid on October 31, 1916, to all stockholders of record at the close of business on October 20, 1916. Checks will be mailed to stockholders who have filed permanent dividend orders at this office.

J. F. FOGARTY, Secretary.

**NORFOLK & WESTERN RAILWAY CO.**

The Board of Directors has declared a quarterly dividend of one per cent upon the Adjustment Preferred Stock of the Company, payable at the office of the Company, Commercial Trust Building, Philadelphia, Pa., on and after November 18, 1916, to the Adjustment Preferred Stockholders as registered at the close of business October 31, 1916.

E. H. ALDEN, Secretary.

**E. W. CLARK & CO., Bankers.  
Office of the  
BANGOR RAILWAY & ELECTRIC CO.  
Bangor, Maine.**

COMMON STOCK DIVIDEND NO. 11.  
The Board of Directors of the Bangor Railway & Electric Co. has declared a dividend of One-half of One per cent ( $\frac{1}{2}$  of 1%) upon the Common stock of the Company, payable November 1st, 1916, to stockholders of record at the close of business October 20th, 1916. Checks will be mailed.

HOWARD CORNING, Treasurer.

**E. W. CLARK & CO., Bankers.  
Office of  
THE EAST ST. LOUIS & SUBURBAN CO.  
PREFERRED DIVIDEND NO. 11.**

The Board of Directors of The East St. Louis & Suburban Co. has declared a dividend of Three-quarters of One per cent ( $\frac{3}{4}$  of 1%) upon the Preferred stock of the Company, payable November 1st, 1916, to stockholders of record at the close of business October 14th, 1916. Checks will be mailed.

G. L. ESTABROOK, Secretary.

**The Corn Exchange Bank**

New York, October 11th, 1916.  
At a regular meeting of the Board of Directors held this day, a quarterly dividend of four (4%) per cent was declared, payable November 1st, 1916, to stockholders of record at the close of business October 31st, 1916.

EDW. S. MALMAR, Cashier.

**BURNS BROS.**

New York, October 10, 1916.  
The Directors this day have declared a quarterly dividend, No. 15, of \$1.75 per share on the preferred stock, payable November 1st, 1916, to stockholders of record October 20th, 1916; also a dividend, No. 12, of \$1.25 per share on the common stock, payable November 15, 1916, to stockholders of record November 1st, 1916. Checks will be mailed.

GEO. S. WEAVER, Treasurer.

**UNITED FRUIT COMPANY**

DIVIDEND NO. 69.

A quarterly dividend of two per cent (two dollars per share) on the capital stock of this Company has been declared, payable on October 14, 1916, to stockholders of record at the close of business September 23, 1916.

The transfer books do not close.

JOHN W. DAMON, Treasurer.

**AMERICAN GAS & ELECTRIC COMPANY.  
PREFERRED STOCK DIVIDEND NO. 39.**

New York, September 13, 1916.  
The regular quarterly dividend of one and one-half per cent ( $1\frac{1}{2}$ %) on the issued and outstanding PREFERRED Capital Stock of American Gas & Electric Company has been declared, for the quarter ending October 31, 1916, payable November 1, 1916, to stockholders of record on the books of the Company at the close of business October 20, 1916.

FRANK B. BALL, Treasurer.

**ILLUMINATING & POWER SECURITIES  
CORPORATION.**

Regular quarterly dividend No. 17 of  $1\frac{1}{4}$ % for the quarter ending October 31, 1916, has been declared on the preferred stock of this Corporation, payable November 15, 1916, to stockholders of record at the close of business on October 31, 1916.

W. F. POPE, Secretary.

**THE INTEROCEAN OIL COMPANY,  
90 West Street, New York.**

The Board of Directors has this day declared a six months' dividend of three and one-half per cent ( $3\frac{1}{2}$ %) on the First Preferred stock, payable November 1st, 1916, to stockholders of record October 20th, 1916.

G. W. S. WHITNEY, Secretary.

New York, October 4, 1916.

**SOUTHERN CALIFORNIA EDISON CO.  
Edison Building, Los Angeles, Cal.**

The regular Quarterly Dividend of One Dollar and Seventy-Five Cents per Share on the outstanding Preferred Capital Stock, being Preferred Stock Dividend No. 29, will be paid on October 15th, 1916, to stockholders of record at the close of business on September 30th, 1916.

W. L. PERCEY, Treasurer.

## Dividends

**American Telephone & Telegraph Co.**

A dividend of Two Dollars per share will be paid on Monday, October 16, 1916, to stockholders of record at the close of business on Saturday, September 30, 1916.

G. D. MILNE, Treasurer.

**Office of The United Gas Improvement Co.  
N. W. Corner Broad and Arch Streets,  
Philadelphia, Sept. 13, 1916.**

The Directors have this day declared a quarterly dividend of two per cent (\$1.00 per share), payable Oct. 14, 1916, to stockholders of record at the close of business Sept. 30, 1916. Checks will be mailed.

I. W. MORRIS, Treasurer.

**CRUCIBLE STEEL COMPANY OF AMERICA.  
Pittsburgh, Pa., Sept. 13, 1916.**

DIVIDEND NO. 48.—An extra dividend of One and One-Quarter Per Cent ( $1\frac{1}{4}$ %) has been declared on the Preferred Stock of this Company against deferred dividends, payable October 31, 1916, to stockholders of record October 16, 1916. Checks will be mailed.

GEO. A. TURVILLE,  
Treasurer and Secretary.

## Dividends

**ELECTRIC BOND AND SHARE CO.  
PREFERRED STOCK DIVIDEND NO. 46.**

New York, October 11, 1916.  
The regular quarterly dividend of One and One-half ( $1\frac{1}{2}$ %) per cent on the Preferred Stock of ELECTRIC BOND AND SHARE COMPANY has been declared, payable November 1, 1916, to stockholders of record at the close of business October 20, 1916.

H. M. FRANCIS, Secretary.

**ELECTRIC BOND AND SHARE CO.  
COMMON STOCK DIVIDEND NO. 30.**

New York, October 11, 1916.  
The regular quarterly dividend of Two (2%) per cent on the Common Stock of ELECTRIC BOND AND SHARE COMPANY has been declared, payable October 16, 1916, to stockholders of record at the close of business October 13, 1916.

H. M. FRANCIS, Secretary.

**KELLY-SPRINGFIELD TIRE CO.**

A quarterly dividend of Four (4) Per Cent on the Common stock of this Company has been declared, payable November 1, 1916, to stockholders of record at the close of business October 16, 1916.

F. A. SEAMAN, Secretary.  
New York, October 3, 1916.

**Dividends**

**CAPE BRETON ELECTRIC COMPANY, LIMITED**

Sydney, Nova Scotia.

PREFERRED DIVIDEND NO. 21.  
COMMON DIVIDEND NO. 14.

A semi-annual dividend of \$3 00 per share on the preferred capital stock and a dividend of \$1 50 per share on the common capital stock of Cape Breton Electric Company, Limited, have been declared, both payable November 1, 1916, to Stockholders of record at the close of business October 16, 1916.

**STONE & WEBSTER,**  
Transfer Agents.

**PUBLIC SERVICE INVESTMENT COMPANY**

Boston, Massachusetts.

PREFERRED DIVIDEND NO. 30.

A quarterly dividend of \$1 50 per share has been declared on the preferred capital stock of Public Service Investment Company, payable November 1, 1916, to Stockholders of record at the close of business October 16, 1916.

**STONE & WEBSTER,**  
Transfer Agents.

**JACKSONVILLE TRACTION COMPANY,**

Jacksonville, Florida.

PREFERRED DIVIDEND NO. 23.

A quarterly dividend of seventy-five cents per share has been declared on the preferred capital stock of Jacksonville Traction Company, payable November 1, 1916, to Stockholders of record at the close of business October 16, 1916.

**STONE & WEBSTER,**  
Transfer Agents.

**AETNA EXPLOSIVES COMPANY, INC.**

120 Broadway, New York City, N. Y.

PREFERRED STOCK DIVIDEND

October 4, 1916.

The Board of Directors has this day declared the regular quarterly dividend of 1 3/4% on the Preferred Stock of this Company, payable October 25, 1916, to Preferred Stockholders of record October 14, 1916.

Checks will be mailed.

**F. L. BELIN,**  
Treasurer.

**OFFICE OF THE CONSOLIDATION COAL COMPANY.**

Baltimore, Md., October 9th, 1916.

The Board of Directors has declared a quarterly dividend of One and one-half per cent (1 1/2%) on its Capital Stock, payable October 31st, 1916, to the stockholders of record at the close of business October 21st, 1916. The transfer books will remain open. Dividend checks will be mailed.

**T. K. STUART,** Assistant Treasurer.

**INTERNATIONAL BANKING CORPORATION.**

New York, October 13, 1916.

The Board of Directors has this day declared a half-yearly dividend of THREE PER CENT (\$3 00 per share), payable November 1, 1916, to stockholders of record at the close of business October 20, 1916. The Transfer Books will be closed from October 20th to November 1, 1916.

**P. W. JONES,** Secretary.

**Notices**

**Union Bag & Paper Corporation**

233 Broadway, New York, October 4th, 1916.

The consolidation of The Union Bag and Paper Company and Riegel Bag & Paper Company has been completed and certificates for the shares of the new corporation, known as Union Bag & Paper Corporation, are ready for delivery.

Upon presentation and surrender to the Empire Trust Company, 120 Broadway, New York City, of certificates of the Preferred and Common Stocks of The Union Bag and Paper Company, duly endorsed in blank for transfer, the Empire Trust Company will issue certificates of stock and fractional scrip certificates for stock of Union Bag & Paper Corporation in the proportions fixed by the consolidation agreement, namely 8-11 of one share of Union Bag & Paper Corporation stock for each share of The Union Bag & Paper Company Preferred stock and 1/4 of one share of Union Bag & Paper Corporation stock for each share of The Union Bag & Paper Company common stock.

Application is about to be made to the New York Stock Exchange for the listing of the stock of Union Bag & Paper Corporation.

**E. B. MURRAY,** Secretary.

**City of Westmount, Canada**

**SINKING FUND COMMISSION.**

The Sinking Fund Commissioners of the City of Westmount desire to purchase approximately \$40,000 of municipal debentures, those maturing in, or about, the year 1928 preferred.

Sealed offers, marked "SINKING FUND COMMISSIONERS OF WESTMOUNT," will be received at the offices of the Montreal Trust Company until noon on Monday, the 16th October, 1916.

A full description of bonds offered for sale is essential. Delivery of the bonds offered for sale is to be made on 1st November, 1916.

**ARTHUR P. BELL,**  
Secretary-Treasurer.

**Lost.**

LOST—Notice is hereby given that certificate No. C8026, dated October 2, 1916, for 100 shares Common stock of the Crucible Steel Company of America, standing in the name of J. L. Graham & Company, has been lost. Application has been made for a duplicate certificate and all persons are warned against negotiating said lost certificate.

(Signed) **J. L. Graham & Co.**

**\$850,000**

**Minneapolis, Sault Ste. Marie  
& Atlantic Railway**

**First Mortgage Gold 4s, due 1926**

(Canadian Pacific System)

Legal Investment in New York, Massachusetts, etc.

**\$400,000**

**Michigan Central Railroad  
Equipment Trust of 1915**

**5% Gold Certificates due 1928-1930**

Free from Pennsylvania State Tax

**\$500,000**

**Armour and Company  
Real Estate First Mortgage Gold 4 1/2s  
due 1939**

*Prices and circulars on request*

**Kean, Taylor & Co.**

**5 Nassau Street  
New York**

**105 So. La Salle St.  
Chicago**

**Securities Corporation General**

1338 Chestnut St., Philadelphia

34 Pine St., New York

**Authorized Capital  
\$10,000,000 00**

**Issued  
\$5,021,875 00**

**Deals and invests in public service securities**

**Participates in security underwritings**

**Finances public service enterprises**

**P. M. CHANDLER, President  
S. W. FFOULKES, Vice-President  
C. W. ROBERTSON, Vice-President  
J. C. TRIMBLE, Sec'y & Treasurer**

**DIRECTORS**

**CALDWELL HARDY, Norfolk, Va.  
ALEXANDER J. HEMPHILL, New York  
HOWARD A. LOEB, Philadelphia  
S. Z. MITCHELL, New York  
FERGUS REID, Norfolk, Va.  
GEO. W. ROBERTSON, Shamokin, Pa.  
J. K. TRIMBLE, Philadelphia**

**F. W. ROEBLING, Jr., Trenton, N. J.  
S. W. FFOULKES, Philadelphia  
J. G. WHITE, New York  
P. M. CHANDLER, Philadelphia  
F. T. CHANDLER, Philadelphia  
PARMELY W. HERRICK, Cleveland, O.**

**Legal Investment for  
New York and Massachusetts Savings Banks.**

**\$350,000**

**Chicago, Milwaukee & St. Paul,  
General & Refunding 4 1/2s,  
January 2014.**

**at 95 1/2 & interest, yielding over 4.70%.**

**BLODGET & CO.**

60 State Street, BOSTON

34 Pine Street, NEW YORK



Financial

\$2,000,000

# General American Tank Car Corporation

INCORPORATED UNDER THE LAWS OF THE STATE OF NEW YORK  
**Seven Per Cent Cumulative First Preferred Stock**  
 Preferred as to Dividends and Assets with Sinking Fund Provisions

*The whole or any part redeemable at the election of the Company on thirty days' written notice at \$110 per share and accumulated dividends.*

Dividends payable quarterly, January, April, July and October  
 Par Value of shares \$100

CAPITALIZATION (Authorized and Outstanding)  
 Seven Per Cent Cumulative First Preferred Stock.....\$2,500,000  
 Seven Per Cent Cumulative Second Preferred Stock... 1,000,000  
 Common Stock (no par value) 50,000 Shares

The General American Tank Car Corporation owns all of the outstanding stock of the General American Tank Car Corporation of West Virginia, which company has been engaged for the past fourteen years in the manufacture and rental of railroad tank cars. At the present time the company controls and operates about 4,200 cars, and the manufacturing department is building cars at the rate of 15 cars per day.

Net quick assets as of April 30th, 1916, were reported as \$3,767,808 05, which sum is equal to one and one-half times the par value of the first preferred stock. For the six months ending June 30th, 1916, the Company reported net earnings available for dividends of \$432,000. Based on these figures for the current fiscal year, the first preferred dividend will be earned five times over and there will remain after preferred dividends a sum equal to \$12 per share on the common stock.

All of the above stock having been sold, this advertisement appears as a matter of record only.

## Chas. D. Barney & Co.

122 South Fourth Street  
 Philadelphia

15 Broad Street  
 New York

The information contained herein is obtained from sources regarded as reliable, and we believe the same to be correct.

## October Municipal Bond List

Our New List contains over seventy issues of attractive and conservative Municipal Bonds yielding from 3.85% to 5.125%.

### Exempt from the Federal Income Tax

The new income tax law is now effective and provides for a 100% increase over the tax heretofore levied on normal incomes. The law has resulted in a greater demand for Municipal Bonds.

Write To-day for Our October Bond List D-15

## William R. Compton Company

Municipal Bonds

"Over a Quarter Century in this Business."

14 Wall Street, New York

St. Louis

Cincinnati

Chicago

Financial

## OF IMPORTANCE TO BONDSALSMEN

How much would it be worth to you to be sure of never losing a sale through lack of knowledge of investments and proper preparation for bond selling?

It is certainly far cheaper to spend a little first and remove that greatest cause of lost sales—lack of preparation.

Our 30 lesson Course on Investments and Security Selling will prepare you—in fact, it will Insure Your Success.

Our outline O sent upon request, will show you the nature of this course, which has already helped many hundreds of bondsalesmen.

**Investment Bankers Bureau, Inc.**

WELLESLEY HILLS, MASS.

### Meetings

**THE NEW YORK NEW HAVEN & HARTFORD RAILROAD COMPANY.**  
 New Haven, Connecticut, October 3, 1916.

#### TO THE STOCKHOLDERS:

Notice is hereby given that the Annual Meeting of the Stockholders of The New York New Haven & Hartford Railroad Company will be held in Harmonie Hall, No. 9 Elm Street, in the City of New Haven, Connecticut, on Wednesday, the 25th day of October, 1916, at 12:00 o'clock noon, for the following purposes:

1. To consider and take appropriate action upon the Annual Statement and all acts described therein or reported at said meeting.
2. To authorize an issue of not to exceed \$700,000 face value seven-year five per cent gold debentures containing an agreement that if any mortgage is hereafter placed upon the property of this corporation these debentures will be equally secured thereby with any other indebtedness of the corporation, and also an agreement to call, by lot, and pay \$100,000 of these debentures each year until all are paid, the proceeds from the sale of said debentures to be used for the construction of a new terminal passenger station and appurtenances in the City of New Haven, Connecticut.
3. To elect a Board of Directors for the ensuing year.
4. To transact any other business which may properly come before said meeting.

For the purpose of this meeting the transfer books of the Company will be closed from October 11th, 1916, to October 25th, 1916, both days inclusive.

By order of the Board of Directors,  
 ARTHUR E. CLARK, Secretary.

**THE RIO GRANDE SOUTHERN RAILROAD COMPANY.**

Denver, Colo., Sept. 15, 1916.

The Annual Meeting of the stockholders of the Rio Grande Southern Railroad Company, for the election of Directors and for the transaction of such other business as may be brought before the meeting, will be held at the principal office of the Company in the City of Denver, State of Colorado, on the third Monday of October next, being the 16th day of said month, at 12 o'clock noon.

The transfer books will be closed at three o'clock p. m. on October 6th and reopened on the morning of October 23rd, 1916.

JOHN B. ANDREWS,  
 Secretary.

**THE DENVER & RIO GRANDE RAILROAD COMPANY.**

New York, September 7, 1916.

The Annual Meeting of the stockholders of the Denver & Rio Grande Railroad Company will be held at the principal office of the Company in Denver, Colorado, at 12 o'clock noon on Tuesday, October 17th, 1916. The meeting will be held for the election of Directors and for the transaction of any other business pertaining to the Company that may be properly brought before it.

The books for the transfer of the stock of the Company, both Common and Preferred, will be closed for the purposes of the meeting at twelve o'clock noon on Saturday, September 9th, 1916, and will be re-opened at 10 o'clock a. m. on the day following the annual meeting or the final adjournment thereof.

JOHN P. HOWLAND, Secretary.

### Wanted

WANTED by an established Investment Banking House, salesman with a clientele in New York City. An unusual opportunity for the right man. Write fully. Address N. P., care "Commercial & Financial Chronicle," Box 3, Wall Street Station.

AN established New York Investment Banking House desires a special or general partner with capital. Correspondence treated confidentially. Address "A," care "Commercial and Financial Chronicle," Box 3, Wall Street Station.

## Financial

We own and offer, subject to prior sale and change in price:

			Approximate Yield
£10,000 (\$50,000) Pennsylvania RR. Co. Sterling	4s	1948	4.35%
\$50,000 Northern Pacific Prior Lien	4s	1997	4.30%
\$50,000 Baltimore & Ohio Southwestern Division	3½s	1925	4.65%
\$50,000 Cleve. Cin. Chicago & St. Louis General	5s	1993	4.90%
\$50,000 Seaboard Air Line First	4s	1950	5.15%
\$50,000 St. Louis Southwestern First	4s	1989	5.10%
\$50,000 Denver & Rio Grande First	4½s	1936	5.75%
\$33,000 Galv. Har. & San Antonio M. & P. First	5s	1931	4.70%
\$23,000 Texas & New Orleans Consolidated	5s	1943	5.35%
\$16,000 Chesapeake & Ohio Extension	6s	1922	4.45%

## GARTENLAUB & CO.

5 Nassau Street

NEW YORK

Tel. Rector 9440

### Young Business Men

will find the intelligent handling of their banking problems by this company and the experienced advice and service rendered by its officers of great benefit in their commercial undertakings.

On daily balances of \$1,000 and over we pay 2% interest, while funds deposited on time certificates command a somewhat higher rate. We should be pleased to explain other advantages of our services—by interview or letter.

**Resources \$75,000,000**

### METROPOLITAN TRUST COMPANY

George C. Van Tuyl Jr., Presiden

49 Wall St. 716 Fifth Ave.

(Member N. Y. Clearing House)

Large Loans Negotiated

**L. N. ROSENBAUM & CO.**  
80 Wall Street New York

## THE LONDON CITY & MIDLAND BANK LIMITED

HEAD OFFICE:

5, THREADNEEDLE STREET, LONDON, E.C.

30th JUNE, 1916.

**Deposits - - \$787,696,280**

**Cash Reserve (24.7%) \$194,440,070**

SIR EDWARD H. HOLDEN, Bart., Chairman

EXEMPT FROM FEDERAL INCOME TAX  
\$385,000

### City of Columbus, Ohio

4½% Bonds

\$100,000 due Sept. 1, 1944

100,000 " March 1, 1945

185,000 " Sept. 1, 1945

Eligible to secure postal savings deposits at 90% of par.  
LEGAL INVESTMENT FOR NEW YORK, MASSACHUSETTS AND  
CONNECTICUT SAVINGS BANKS AND TRUST FUNDS

Prices to yield 3.95%

Circular on application

### R. M. GRANT & CO.

BOSTON

31 NASSAU ST., NEW YORK

CHICAGO



\$4,000,000

# The Northern Ohio Traction & Light Co.

## First Lien and Refunding Mortgage Five Per Cent. Gold Bonds

Dated August 1, 1916

Due August 1, 1956

Interest payable February 1 and August 1 in New York or Cleveland. Redeemable, as a whole or in part, on any interest date at 105 and accrued interest. Coupon Bonds, \$1,000 (registerable as to principal only), \$500 and \$100. Registered Bonds, \$1,000 and multiples, interchangeable with Coupon Bonds of \$1,000 denomination.

APPROVED BY THE PUBLIC UTILITIES COMMISSION OF OHIO

The properties of the Northern Ohio Traction & Light Company comprise all the city lines in Akron, Canton and Massillon, Ohio, and a system of interurban lines connecting these cities with Cleveland. The Company does the exclusive commercial electric light and power business in Akron, and supplies electric energy, directly or indirectly, to nine other communities.

The following information is summarized from a letter addressed to us by Mr. E. W. Moore, Vice-President of the Company:

These Bonds are secured by a mortgage on all the property owned by the Company subject to the liens of \$10,075,000 underlying Bonds. Through the deposit with the Trustee of \$2,300,000, par value, of prior issues, the First Lien and Refunding 5s share ratably, to the extent of the Bonds deposited, in underlying liens. Additional Bonds may be issued only under carefully safeguarded restrictions.

The replacement value of the physical property is largely in excess of the total outstanding bonded debt.

The Bonds precede \$4,600,000 par value Preferred Stock and \$9,000,000 par value Common Stock, paying dividends at the rate of 6% and 5%, respectively.

Under the terms of the mortgage the Company agrees to provide a Maintenance and Depreciation Fund adequate to keep the property in excellent physical condition.

The territory served embraces fifty communities situated in a rich agricultural section and includes one of the most important manufacturing districts in this country.

### STATEMENT OF EARNINGS

(As certified by Messrs. Barrow, Wade, Guthrie & Co., Chartered Accountants.)

For years ended April 30	1915	1916
Gross Earnings	\$3,656,552.10	\$4,307,981.89
Operating Expenses, Maintenance and Taxes	2,338,473.99	2,456,707.56
Net Earnings available for Interest Charges, Depreciation, &c.	\$1,318,078.11	\$1,851,274.33
Annual Interest on First Lien and Refunding and underlying bonds requires		679,750.00

Net earnings for twelve months ended April 30, 1916, were practically two and three-quarters times the annual interest requirements of all outstanding bonds.

Price 94 and Interest to Yield 5.36%

## The National City Company

National City Bank Building, New York

### CORRESPONDENT OFFICES

PHILADELPHIA, PA.  
1421 Chestnut St.

BOSTON, MASS.  
55 Congress Street

SAN FRANCISCO, CAL.  
424 California St.

BALTIMORE, MD.  
Munsey Bldg.

CLEVELAND, OHIO  
Guardian Bldg.

BUFFALO, N. Y.  
Marine Bank Bldg.

PITTSBURGH, PA.  
1018 Farmers' Bank Bldg.

WASHINGTON, D. C.  
717 14th St. N. W.

DETROIT, MICH.  
Dime Bank Building

ALBANY, N. Y.  
41 Douw Building

WILKESBARRE, PA.  
Miners Bank Building

The above information is based upon official statements and statistics on which we have relied in the purchase of these bonds. We do not guarantee, but believe it to be correct.

# We Look For Value

Our specialization in public utility bonds and preferred stocks has enabled us to establish for ourselves definite standards of value, and each time we recommend an issue, it is with the understanding that our position is based upon an opinion that these standards have been met; we seek to make our recommended issues possess, as their chief characteristic, *intrinsic value*.

Here are a few bonds and preferred stocks which we recommend:

## Bonds

Amount	Name		Rate	Maturity	Price to Yield about
25,000	Southern Power Company	First	5s	1930	4.85%
10,000	Buffalo General Electric Company (Tax Exempt in N. Y. State)	First Ref.	5s	1939	4.85%
25,000	Washington Water Power Company	First Ref.	5s	1939	4.93%
25,000	Butte Electric & Power Company	First	5s	1951	4.97%
50,000	Dayton Lighting Company	First & Ref.	5s	1937	5.00%
20,000	Los Angeles Railway	First Cons.	5s	1938	5.00%
12,000	Consumers Power Company (Mich.)	1st Lien & Ref.	5s	1939	5.00%
19,000	Pacific Light & Power Company	First	5s	1942	5.00%
20,000	Michigan Light Company	First & Ref.	5s	1946	5.03%
10,000	Southern California Edison Company	General	5s	1939	5.04%
20,000	Montana Power Company	First & Ref.	5s	1943	5.05%
10,000	Detroit & Port Huron Shore Line Ry.	First	5s	1950	5.19%
25,000	Carolina Power & Light Company	First	5s	1938	5.23%
11,000	The Pine Bluff Company (Tax Exempt in N. Y. State)	First	5s	1942	5.25%
17,000	Northern Ohio Trac. & Light Co.	1st Lien & Ref.	5s	1956	5.37%
15,000	Pacific Gas & Electric Company	Gen. & Ref.	5s	1942	5.51%
25,000	Western States Gas & Electric Company	First & Ref.	5s	1941	5.52%
50,000	St. Louis, Springfield & Peoria R. R.	First & Ref.	5s	1939	5.79%
50,000	United States Public Service Company	Coll. Lien	6s	1918	6.00%

## Preferred Stocks

Shares	Name	Rate	Dividend Period	Price to Yield about
200	Consumers Power Company	6%	Jan. 1st Quar.	6.00%
200	Dayton Power & Light Company	6%	Jan. 1st Quar.	6.15%
200	Tri-City Railway & Light Company	6%	Jan. 1st Quar.	6.19%
400	Pacific Gas & Electric Company	6%	Feb. 15th Quar.	6.52%
300	Utah Power & Light Company	7%	Jan. 1st Quar.	6.93%
200	Carolina Power & Light Company	7%	Jan. 1st Quar.	7.00%

Send for Detailed Descriptions.

# John Nickerson, Jr.

300 North Broadway  
Saint Louis

19 Congress Street  
Boston

61 Broadway  
New York



**\$8,000,000****Cities Service Company****Six Per Cent Cumulative Preferred Stock**

Registrar, Guaranty Trust Company

Transfer Agent, Henry L. Doherty &amp; Co.

**Preferred both as to assets and dividends**

(Not Redeemable)

**Dividends payable first of each month**

*We summarize from a letter of October 6th, 1916, of Mr. Henry L. Doherty, President of the Company, as follows:*

Each share of Cities Service Company Preferred Stock represents substantially more than its par value of \$100 in actual physical property.

The company's proportion of the earnings of its subsidiary public utility properties alone is equivalent to approximately twice the dividend charges on the total issue of preferred stock now outstanding.

The earnings from oil properties form an additional factor of safety and though large at present it is confidently expected that they will assume much greater proportions in the near future.

The Board of Directors of Cities Service Company have recommended to the stockholders the embodiment in the charter of the company of a provision that no cash dividends in excess of 6% be paid on the common stock until the full par value of the amount of preferred stock then outstanding has been re-invested in the property, from the surplus earnings of the company; or, should this not be considered advisable, then for a period of six months the company shall purchase and retire all preferred stock which can be purchased in the open market at 110% or less. Under this plan it is estimated that at the present rate of earnings the par value of the preferred now outstanding will be re-invested in the properties in seven years.

The company is conservatively financed, has practically no funded debt and no floating indebtedness.

At the present market value the common stock places an equity junior to this issue of approximately \$68,000,000.

**Price \$93 per share****Montgomery, Clothier & Tyler****14 Wall Street****Philadelphia****New York****Pittsburgh****Kissel, Kinnicutt & Co.****14 Wall Street****New York****The Rookery****Chicago**

This information and these statistics are not guaranteed, but have been obtained from sources we believe to be accurate.

# The Commercial & Financial Chronicle

INCLUDING

Bank & Quotation Section  
Railway Earnings Section

Railway & Industrial Section  
Bankers' Convention Section

Electric Railway Section  
State and City Section

VOL. 103

SATURDAY, OCTOBER 14 1916

NO. 2677

## The Chronicle.

PUBLISHED WEEKLY.

### Terms of Subscription—Payable in Advance

For One Year	\$10 00
For Six Months	6 00
European Subscription (including postage)	13 00
European Subscription six months (including postage)	7 50
Annual Subscription in London (including postage)	\$2 14s.
Six Months Subscription in London (including postage)	\$1 11s.
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### Subscription includes following Supplements—

BANK AND QUOTATION (monthly)	RAILWAY AND INDUSTRIAL (3 times yearly)
RAILWAY EARNINGS (monthly)	ELECTRIC RAILWAY (3 times yearly)
STATE AND CITY (semi-annually)	BANKERS' CONVENTION (yearly)

### Terms of Advertising—Per Inch Space

Transient matter per inch space (14 agate lines)	\$4 20
Two Months (8 times)	22 00
Three Months (13 times)	29 00
Standing Business Cards	
Six Months (26 times)	50 00
Twelve Months (52 times)	87 00

CHICAGO OFFICE—39 South La Salle Street, Telephone Randolph 7396.

LONDON OFFICE—Edwards & Smith, 1 Drapers' Gardens, E. C.

WILLIAM B. DANA COMPANY, Publishers,

Front, Pine and Depeyster Sts., New York.

Published every Saturday morning by WILLIAM B. DANA COMPANY.  
Jacob Selbert Jr., President and Treas.; George S. Dana and Arnold G. Dana,  
Vice-Presidents; Arnold G. Dana, Sec. Addresses of all, Office of the Company.

### CLEARING-HOUSE RETURNS.

The following table, made up by telegraph, &c., indicates that the total bank clearings of all the clearing houses of the United States for the week ending to-day have been \$5,214,625,524, against \$6,087,666,742, last week and \$4,537,221,422 the corresponding week last year.

Clearings—Returns by Telegraph. Week ending Oct. 14.	1916.	1915.	Per Cent.
New York	\$2,574,180,611	\$2,046,844,985	+25.8
Boston	145,446,959	136,949,323	+6.2
Philadelphia	191,170,811	152,736,485	+25.2
Baltimore	29,515,545	30,488,599	-3.2
Chicago	325,350,489	276,827,010	+17.5
St. Louis	103,266,123	76,641,165	+34.7
New Orleans	32,489,097	19,995,812	+62.5
Seven cities, five days	\$3,401,419,635	\$2,740,483,379	+24.1
Other cities, five days	704,263,418	585,947,608	+20.2
Total all cities, five days	\$4,105,683,053	\$3,326,430,987	+23.4
All cities, one day	1,108,942,471	1,210,790,435	-8.4
Total all cities for week	\$5,214,625,524	\$4,537,221,422	+14.9

The full details for the week covered by the above will be given next Saturday. We cannot furnish them to-day, clearings being made up by the clearing houses at noon on Saturday, and hence in the above the last day of the week has to be in all cases estimated, as we go to press Friday night. We present below detailed figures for the week ending with Saturday noon, Oct. 7, for four years:

Clearings at—	1916.	1915.	Inc. or Dec.	1914.	1913.
New York	3,787,735,173	2,802,358,350	+35.1	1,218,361,585	1,827,477,634
Philadelphia	299,817,146	207,011,979	+44.8	143,371,278	164,668,872
Pittsburgh	74,386,650	59,512,709	+25.0	52,189,571	54,039,638
Baltimore	41,104,779	40,395,269	+1.7	34,259,686	37,844,903
Buffalo	19,859,181	16,756,906	+18.5	12,886,004	15,265,247
Albany	6,263,806	5,679,967	+10.3	5,784,851	6,773,217
Washington	10,473,550	8,511,742	+23.1	7,963,436	7,864,836
Rochester	7,694,178	5,456,821	+41.0	4,448,851	4,978,058
Saratoga	3,932,718	3,722,547	+5.6	3,927,420	2,900,000
Syracuse	5,030,599	3,608,950	+39.4	3,162,186	3,014,881
Reading	2,589,247	2,204,194	+17.5	1,934,763	1,908,292
Wilmington	3,520,879	2,885,864	+22.0	1,788,549	2,365,635
Wilkes-Barre	2,058,861	2,035,002	+1.1	1,908,060	1,831,566
Wheeling	3,765,266	2,523,977	+49.2	1,867,142	2,291,916
York	1,208,471	978,468	+23.5	932,025	1,007,497
Trenton	2,322,549	2,053,936	+13.6	1,665,050	1,838,771
Erie	1,646,847	1,276,235	+29.0	1,063,771	1,167,947
Chester	1,471,314	1,202,374	+22.4	789,606	915,013
Binghamton	961,000	863,300	+11.4	709,400	793,300
Greensburg	936,492	779,702	+20.1	644,682	650,000
Altoona	625,000	491,357	+27.3	561,113	611,201
Lancaster	2,440,002	2,072,815	+17.7	1,956,277	1,822,763
Montclair	467,524	466,933	+0.1	367,574	445,935
Total Middle	4,280,322,232	3,172,849,397	+34.9	1,502,542,820	2,142,477,122
Boston	235,566,763	173,626,456	+35.6	124,433,169	158,748,727
Providence	11,334,900	8,324,800	+36.2	7,397,300	8,576,200
Hartford	11,452,023	11,023,901	+3.9	4,434,629	5,330,058
New Haven	5,415,392	4,308,259	+25.7	3,526,993	3,322,126
Springfield	4,393,949	3,299,399	+33.2	2,527,694	2,828,180
Portland	3,450,000	2,150,000	+60.5	1,950,000	2,131,013
Worcester	8,143,172	2,846,276	+45.6	2,289,492	2,783,196
Fall River	2,164,562	1,437,039	+50.6	1,131,723	1,715,215
New Bedford	1,792,819	1,234,501	+45.2	1,035,818	1,335,474
Lowell	1,089,864	906,058	+20.2	753,822	555,411
Holyoke	1,070,150	757,186	+41.3	783,867	625,707
Bangor	700,000	512,057	+36.7	533,716	586,858
Total New Eng.	282,573,594	210,425,932	+34.3	150,798,223	188,538,185

Note.—For Canadian clearings see "Commercial and Miscellaneous News."

### Clearings at—

### Week ending October 7.

	1916.	1915.	Inc. or Dec.	1914.	1913.
	\$	\$	%	\$	\$
Chicago	447,999,537	333,478,838	+34.3	278,108,293	315,257,329
Cincinnati	38,070,350	29,401,550	+29.5	22,243,500	24,614,250
Cleveland	63,340,029	37,667,907	+68.2	23,608,507	24,347,850
Detroit	47,876,188	31,391,127	+52.5	23,047,470	24,466,916
Milwaukee	24,816,888	16,894,062	+46.9	16,840,252	16,730,674
Indianapolis	11,079,947	8,736,976	+26.8	7,557,656	8,415,070
Columbus	12,053,100	7,228,400	+66.8	6,383,400	6,680,000
Toledo	10,150,022	8,060,992	+25.9	6,569,790	5,742,024
Peoria	4,000,000	3,730,063	+7.2	2,573,069	4,246,005
Grand Rapids	4,848,336	3,905,444	+24.1	3,074,656	3,281,852
Dayton	3,716,417	2,581,619	+44.0	2,233,344	2,869,845
Evansville	2,290,376	1,800,047	+27.2	1,143,002	1,457,164
Springfield, Ill.	1,500,164	1,461,178	+2.7	1,331,772	1,266,197
Fort Wayne	1,853,352	1,408,855	+31.6	1,464,578	1,410,680
Akron	5,280,000	2,488,000	+112.2	1,794,000	1,693,000
Lexington	600,000	861,158	-30.3	709,194	704,101
Rockford	1,162,869	843,775	+37.8	916,166	1,033,324
Youngstown	3,937,824	2,180,441	+80.6	1,806,180	2,088,565
Canton	3,152,796	2,098,339	+50.1	1,747,584	1,300,000
Bloomington	968,079	747,613	+29.6	698,268	619,421
South Bend	963,802	882,482	+9.4	796,475	650,374
Decatur	675,000	556,318	+21.4	405,799	454,567
Springfield, Ohio	1,120,714	708,227	+58.2	771,137	708,894
Quincy	2,585,748	823,895	+214.0	847,899	858,008
Mansfield	640,858	601,131	+6.6	539,523	523,470
Jacksonville, Ill.	434,234	292,396	+48.6	266,611	291,382
Jackson	800,000	549,972	+45.1	480,000	510,786
Danville	630,047	573,758	+9.8	566,070	441,566
Lima	750,000	576,618	+30.0	499,771	543,798
Lansing	1,108,498	1,029,931	+7.7	518,042	468,043
Ann Arbor	546,236	428,736	+27.5	287,255	264,576
Adrian	54,111	67,667	-20.0	60,657	48,936
Owensboro	379,586	308,661	+23.0	279,663	434,193
Tot. Mid. West.	699,385,108	504,366,176	+36.7	409,886,446	454,422,860
San Francisco	79,352,772	58,086,334	+36.6	47,389,882	53,974,863
Los Angeles	25,864,554	20,495,060	+26.2	20,439,807	22,210,158
Seattle	20,483,918	12,532,065	+63.4	12,307,830	14,269,093
Portland	16,746,904	14,770,896	+14.1	13,588,437	15,026,117
Salt Lake City	13,633,753	7,500,000	+81.8	6,719,753	7,548,481
Tacoma	2,470,552	2,102,091	+17.5	2,097,936	2,487,414
Spokane	6,672,687	4,830,138	+38.1	3,951,647	5,371,625
Oakland	5,242,473	4,011,485	+30.7	3,519,307	3,889,112
Sacramento	2,885,522	2,657,313	+8.6	2,569,161	2,634,446
San Diego	2,133,805	2,072,155	+2.9	1,714,770	2,506,222
San Jose	1,352,949	903,305	+49.7	952,305	1,103,252
Fresno	1,590,750	1,322,341	+20.3	1,485,618	1,414,719
Stockton	1,417,905	1,176,507	+20.5	1,120,685	987,317
Pasadena	963,605	856,280	+12.5	796,521	861,864
North Yakima	714,878	593,730	+20.4	563,230	580,958
Reno	557,614	338,951	+64.6	350,254	275,000
Long Beach	620,062	483,664	+28.3	517,770	-----
Total Pacific	182,704,703	134,732,315	+35.6	119,684,913	135,140,641
Kansas City	124,246,039	83,453,737	+48.9	70,575,437	63,227,514
Minneapolis	36,573,391	35,086,169	+4.2	38,430,026	33,446,512
Omaha	29,795,802	23,516,198	+26.7	19,677,321	19,408,824
St. Paul	18,061,033	11,826,196	+52.7	11,901,765	10,583,509
Denver	16,323,701	10,658,645	+53.1	9,571,958	9,913,568
St. Joseph	10,619,151	7,968,449	+33.3	6,733,058	8,287,532
Duluth	8,512,565	10,409,766	-18.2	8,863,906	7,596,339
Des Moines	7,728,892	6,242,665	+23.8	5,510,099	5,428,395
Sioux City	5,758,238	4,083,106	+41.0	3,701,970	4,079,678
Wichita	6,053,590	4,071,919	+48.7	3,552,658	3,511,278
Lincoln	3,753,884	2,516,931	+49.1	2,339,539	1,886,186
Topeka	2,109,303	1,607,090	+31.2	1,805,164	1,887,825
Davenport	2,424,129	1,867,718	+29.8	1,894,930	1,893,470
Cedar Rapids	2,094,154	2,385,549	-12.2	1,762,781	2,108,521
Fargo	1,881,567	1,940,716	-3.0	1,766,657	687,811
Colorado Springs	873,590	763,701	+14.4	581,769	668,664
Pueblo	627,324	392,348	+60.0	688,803	750,008
Fremont	646,849	419,429	+54.1	516,999	353,632
Waterloo	2,016,153	1,993,716	+1.2	1,695,720	1,680,779
Helena	2,226,091	1,535,764	+45.0	1,524,947	1,288,472
Aberdeen	1,081,661	1,096,055	-1.3	946,450	468,280
Hastings	607,429	254,851	+134.4	256,332	217,002
Billings	1,073,741	787,825	+36.3	584,030	673,120
Tot. oth. West.	285,088,277	214,878,543	+32.7	194,882,319	179,949,230
St. Louis	121,118,239	85,476,841	+41.7	69,027,359	84,046,947
New Orleans	32,356,667	18,640,835	+73.6	14,562,187	19,883,002
Houston	15,960,727	10,290,749	+55.1	7,252,061	10,709,991
Louisville	18,776,981	16,030,909	+17.1	11,526,526	13,579,420
Galveston	5,777,554	5,318,215	+8.6	2,948,582	5,212,000
Richmond	20,651,005	10,917,443	+89.2	8,043,547	8,183,851
Atlanta	29,710,566	18,886,395	+57.3	12,862,665	20,488,630
Memphis	13,734,922	6,880,525	+99.6	7,000,872	10,401,398
Savannah	10,607,057	7,682,251	+38.1	3,820,206	9,669,951
Fort Worth	12,467,842	9,295,683	+34.1	8,211,536	9,573,484
Nashville	9,025,000	7,488,766	+20.5	7,119,852	8,879,797
Norfolk	5,079,711	4,574,076	+11.0	4,353,308	4,150,912
Augusta	4,125,000	2,766,570	+49.1	1,669,043	2,807,963
Birmingham	2,951,786	2,674,246	+10.4	2,621,776	3,372,845
Little Rock	5,053,128	2,595,600	+94.7	2,237,245	2,922,880
Jacksonville	3,000,000	2,569,738	+16.8	1,776,254	3,262,909
Charleston	2,580,473	2,941,478	-12.3	1,777,943	3,458,413
Knoxville	2,370,919	1,858,863	+27.5	2,093,283	1,880,371
Chattanooga	2,412,222	2,370,622	+17.7	2,368,695	2,567,064
Mobile	1,300,000	1,095,341	+19.1	1,100,000	1,550,000
Oklahoma	7,080,714	2,942,700	+140.6	2,675,707	2,297,582
Macon	8,141,321	4,663,512	+74.6	3,068,175	6,520,198
Austin	4,200,000	2,259,575	+85.9	1,622,520	1,802,799
Vicksburg	360,375	367,436	-1.9	282,282	309,946
Jackson	666,371	429,698	+52.8	398,780	438,704
Muskogee	1,865,174	741,530	+151.5	1,010,113	1,375,455
Tulsa	3,826,864	1,456,014	+162.8	1,393,001	1,375,998
Meridian	390,200	351,700	+10.9	-----	-----
Total Southern	6,067,922,828	4,233,567,221	+44.5	183,823,518	240,722,512
Total all	3,367,696,742	2,470,519,584	+35.7	2,561,619,236	3,341,250,548
Outside N. Y.	2,279,931,569	1,668,461,234	+36.6	1,343,257,651	1,513,772,914



### OUR CONVENTION NUMBER.

With to-day's issue of our paper we send to our subscribers our "Bankers' Convention" Section, reporting the proceedings of the Convention of the American Bankers' Association held at Kansas City, Mo., two weeks ago. This Convention number gives all the papers and addresses read and delivered before the Convention, and also the proceedings and discussions on the floor, including the deliberations of the Trust Company Section and the Savings Bank Section, besides the papers read before the Clearing House and National Bank sections.

### THE FINANCIAL SITUATION.

In a subsequent part of this issue of our paper we devote four pages (pages 1364 to 1367) to a tabular presentation of the gross earnings, the operating expenses and the net earnings of United States railroads for the last two fiscal years ending on June 30. The figures are derived from the monthly returns which steam railroads are required to file with the Interstate Commerce Commission at Washington, and they embrace every road whose gross earnings run in excess of \$100,000 per annum. Railroad earning less than \$100,000 per annum are exempt from the requirement to furnish monthly returns. We get transcripts each month of all the monthly reports made to the Commission and now bring them all together for the two fiscal years. We wish to emphasize the fact that the compilation is absolutely complete—that no road which earned \$100,000 or more in the fiscal year 1916 is missing.

The returns of the separate roads have already appeared in our monthly "Railway Earnings Section" or Supplement—the most of them in the issue of Aug. 26, but some belated returns in the issue of Sept. 23. In these issues, too, will be found complete details of the earnings and expenses of each road which in our compilation to-day we are obliged to omit, owing to lack of room. In bringing the roads together now, we group them according to location and furnish comparative totals for the different groups, and also grand totals for the whole country.

The striking feature in the tabulations is the magnitude and widespread nature of the improvement disclosed. In the latest year a wonderful revival of business activity occurred all over the United States as a result of the demand upon this country of the belligerent nations of Europe for commodities and supplies of all kinds, and the effect has been to swell railroad traffic to proportions never previously attained. Little evidence of improved results appeared until towards the close of last September. Previously the railroads had been on the down grade for years, and their prospects appeared exceedingly gloomy. Now, all of a sudden, a complete change occurred, and since then their outlook has been steadily brightening, so much so that there would be warrant for regarding their future with entire confidence, were it not for the imperious demands of railroad labor and the disposition of the legislative and executive departments of the Government to gain advantage for the same at the expense of the roads.

In the gross earnings the improvement, as compared with the twelve months preceding, amounts to no less than \$522,497,496, and even in the net the gain reaches the imposing amount of \$330,830,283. The gross earnings have risen from \$2,974,724,652

to \$3,497,222,148 and the net earnings from \$876,-801,718 to \$1,207,632,001. In ratio the gain is 17.56% in the gross and 37.61% in the net.

The significance of these large gains should not be misunderstood. They do not constitute an absolutely new addition to income, either gross or net, but represent to a very considerable extent a recovery of previous losses. Until the change came in the late year, the roads had for a long period of time been making poor or indifferent returns. For instance, two years ago, in presenting a similar tabulation, we found that in the fiscal year 1913-14 there had been a loss of \$79,479,672 in gross and of no less than \$110,914,046 in net. In 1914-15 there was a further decrease in gross, but a slight recovery in the net, though we did not then make up the figures in their present form. In a general way, it may be said that the net for 1914-15 was at least 50 million dollars less than what it had been five years before, in 1909-10. In the same interval the capital investment of the roads increased by three to four billion dollars, so that at a time when there was pressing necessity for an expansion in income, so as to show a return on the new capital put into the properties, earnings were actually declining. Now, all this has fortunately been changed, at least for the time being, and that constitutes the gratifying feature in the situation. But considering the antecedent lack of growth, the margin of safety, even after the late year's large gains, is none too large.

To show how widely the late year's gains are distributed, we have prepared the following summary of the totals by groups and general divisions. It will be seen that all parts of the country have participated in the improvement, the gains in the gross running from 9.90% to 25.22% and in the net from 19.49% to 69.77%.

Fiscal Years ending June 30—	Gross Earnings					
	1916. \$	1915. \$	Inc.(+)or Dec.(—) % \$			
Group 1 (18 roads), New England	159,252,137	139,907,785	+19,344,352	13.82		
Group 2 (86 roads), East & Middle	959,699,491	802,940,105	+156,759,386	19.52		
Group 3 (65 roads), Middle West.	428,818,275	342,450,505	+86,367,770	25.22		
Groups 4 & 5 (97 rds.), Southern.	436,639,005	373,105,956	+63,533,049	17.03		
Groups 6 & 7 (77 rds.), Northwest	771,158,754	658,231,822	+112,926,932	17.16		
Groups 8 & 9 (87 rds.), Southwest	526,701,079	479,253,217	+47,447,862	9.90		
Group 10 (45 roads), Pacific Coast	214,953,407	178,835,262	+36,118,145	20.19		
Total (475 roads)-----	3,497,222,148	2,974,724,652	+522,497,496	17.56		
Fiscal Years ending June 30—	Expenses					
	1916. \$	1915. \$	Inc.(+)or Dec.(—) % \$			
Group 1 (18 roads), New England	108,597,666	100,429,877	+8,167,789	8.13		
Group 2 (86 roads), East & Middle	637,811,571	573,834,845	+63,976,726	11.15		
Group 3 (65 roads), Middle West.	284,651,134	257,532,700	+27,118,434	10.53		
Groups 4 & 5 (97 rds.), Southern.	284,823,655	270,811,870	+14,011,785	5.17		
Groups 6 & 7 (77 rds.), Northwest	479,497,312	436,723,415	+42,773,897	9.79		
Groups 8 & 9 (87 rds.), Southwest	365,196,216	343,836,389	+21,359,827	6.21		
Group 10 (45 roads), Pacific Coast	129,012,593	114,753,838	+14,258,755	12.43		
Total (475 roads)-----	2,289,590,147	2,097,922,934	+191,667,213	9.13		
Fiscal Years ending June 30—	Mileage		Net Earnings			
	1916.	1915.	1916. \$	1915. \$	Inc.(+)or Dec.(—) % \$	
Group 1-----	7,832	7,834	50,654,471	39,477,908	+11,176,563	28.31
Group 2-----	29,480	29,410	321,887,920	229,105,260	+92,782,660	40.49
Group 3-----	23,622	23,657	144,167,141	84,917,805	+59,249,336	69.77
Groups 4 & 5----	47,306	42,210	151,815,350	102,294,086	+49,521,264	48.41
Groups 6 & 7----	68,681	68,280	291,661,442	221,508,407	+70,153,035	31.67
Groups 8 & 9----	58,468	58,324	161,504,863	135,416,828	+26,088,035	19.49
Group 10-----	18,699	18,487	85,940,814	64,081,424	+21,859,390	34.11
Total-----	254,088	248,202	1,207,632,001	876,801,718	+330,830,283	37.61

Gold mining in the Transvaal continues to return satisfactory results, according to the latest advices by cable which cover the figures of production for September 1916. In that month the average daily yield of the metal showed a moderate augmentation over August, and fell only a little below the high mark for the particular period established in September 1915. The per diem product as given—25,-719 fine ounces—compares with 25,871 fine ounces



in 1915 and 23,406 fine ounces in 1914, while the actual yield for the period at 771,567 fine ounces, contrasts with 776,750 fine ounces and 702,170 fine ounces. The nine months production of 1916, therefore, stands at 6,945,671 fine ounces, or 211,755 fine ounces greater than for the period a year ago, and 123,796 fine ounces in excess of the former high record yield of 1912.

The grain crop situation of the United States on October 1, as revealed by the official report of the Department of Agriculture for that date, issued on Monday, was in no essential particular different from that of the month before, as announced by the same authority. A yield of wheat of only about 607 million bushels is indicated, an aggregate some 50 million bushels or more under normal home requirements, reducing, therefore, to that extent the estimated surplus from the last crop and consequently leaving available for export to supply European demand approximately 100 million bushels. Moreover, the quality of wheat this year is below the average, reducing appreciably its food value, as compared with 1915, this being reflected clearly in the announcement by the Department on the authority of mills and elevators, that the average weight of a measured bushel of the spring variety in 1916 is only 51.4 pounds, as compared with the usual weight of 57.5 pounds. Estimates of the other leading cereals, and all showing important losses from a year ago, are practically the same as those promulgated a month ago, so that the total of all—wheat, corn, oats, barley and rye—holds out a promise of a production of only 4,782 million bushels, or 1,111 million bushels less than in 1915. Nor were the adverse conditions that cut short the grain crops operative only in that direction; on the contrary, potatoes were materially affected, a further decline in condition being noted in September, and the outlook for cotton, as shown last week, seems unsatisfactory.

In corn an improvement in condition of two-tenths of a point is reported during September, but the general status of the crop on October 1 was only 71.5, against 79.7 a year ago, and a ten-year average of 77. The yield per acre is estimated at 25 bushels and the total crop on that basis is computed as 2,717,932,000 bushels, against 3,055 millions in 1915 and the high record production of 3,125 millions in 1912. Each important producing State, except Iowa, which is expected to show a gain of 74 million bushels, makes a poorer exhibit than last year, with the losses conspicuously heavy in Kansas, 66%; Oklahoma, 49%; and Missouri, 27%.

The anticipated yield of spring wheat is now but 8.6 bushels per acre, presumably the lowest on record, and promises a crop of only 152,861,000 bushels, against no less than 357 million bushels in 1915 and 330 millions in 1912. The indicated crop is, in fact, the smallest in any year since 1894. Furthermore, as already intimated, the quality of the cereal is much below the average. Last year quality was reported as 90.7; this year it is given as 71.3. No change is made in the winter-wheat estimate, the figure given being 454,706,000 bushels. Combining the two varieties, we have a total yield of 607,557,000 bushels, which fall 404 million bushels below the high-water aggregate of 1915.

A crop of oats some 20% less than harvested last year is denoted by the October 1 report. The yield

per acre is stated at 30.3 bushels and the aggregate product 1,229,682,000 bushels, this latter contrasting with 1,540 million bushels last year and 1,418 millions in 1912. Of this cereal the quality is a little better than a year ago. The barley crop is now estimated at 184 million bushels, against 237 million bushels in 1915, and a yield of rye of 42 million bushels contrasts with 49 millions. The following furnishes a summary of the five leading grain crops.

Production. (000,000s omitted.)	Estimated. 1916.	Final. 1915.	Final. 1914.	Final. 1913.	Previous Records.
Winter wheat.....bush.	455	655	685	523	685(1914)
Spring wheat.....	153	357	206	240	357(1915)
Corn.....	2,718	3,055	2,673	2,447	3,125(1912)
Oats.....	1,230	1,540	1,141	1,122	1,540(1915)
Barley.....	184	237	195	178	237(1915)
Rye.....	42	49	43	41	49(1915)
Total bushels.....	4,782	5,893	4,943	4,551	5,993

The general agricultural situation in the United States this year is quite clearly depicted by the Department of Agriculture, in stating the composite condition of all crops on October 1 (or at time of harvest) at 5.5% below their ten-year average, as against 8% above last year, as determined by the final yields per acre. As regards prices, the index figure on October 1 this year was about 27.6% higher than a year ago, 19.9% above 1914 and 23.8% in excess of the average of the last eight years at date.

The commercial failures statement for the United States for September 1916 would seem to furnish convincing evidence of a very satisfactory commercial and industrial situation as a result of the present wave of prosperity. It not only indicates a marked decline from 1915, both in the number of insolvents and the resulting total of liabilities, but shows that there were fewer insolvencies than in any month since August 1913, and that the volume of debts fell below that of all monthly periods in over five years and was smaller than for any September since 1909. The exhibit for the third quarter is also much more favorable than for the two quarters that preceded it in 1916, or the corresponding periods of the two previous years, while for the nine months the number of defaults falls much below a year ago and the amount of liabilities decidedly under either 1915, 1914 or 1913.

According to Messrs. R. G. Dun & Co's compilation, upon which our remarks are based, the number of insolvencies in September was 1,154 for \$11,569,078, against 1,414 for \$16,208,070 last year and 1,615 for \$23,018,027 in 1914. In the manufacturing division, liabilities of \$5,447,313 contrast with \$4,739,110 a year ago, trading debts of \$5,160,449 with \$9,631,735, and indebtedness of brokers, agents, &c. of \$961,316 with \$1,837,225. Moreover, large failures were in no sense a feature of the month.

The exhibit for the third quarter of the current year (July-September inclusive), is the best for the period since 1913 as regards number, and for an aggregate of indebtedness less than now recorded—\$43,345,286—we have to go back to 1911. The 1915 total was \$52,876,525, and that of 1914 no less than \$86,818,291, important brokerage failures contributing largely to it. Here also a considerable decline from a year ago is shown in the liabilities in the trading and miscellaneous divisions. Manufacturing defaults this year stand for \$20,317,919, against \$19,454,081; trading for \$17,942,654, against \$26,322,788 and brokers, &c. for \$5,084,713, against \$7,099,656.

The failures for the nine months of 1916, while fewer in number than in 1915, exceeded in that



particular all earlier years, but as the number of firms in business is steadily increasing, this is not at all surprising. The volume of indebtedness for the period in the current year is, however, as noted above, very much less than in either of the three preceding years, and comparatively moderate withal. Insolvencies for the period this year were 13,250, against 17,288 in 1915 and 12,841 in 1914, and the liabilities involved reached \$154,586,707, against \$241,464,060 and \$271,918,021, respectively. Manufacturing indebtedness totaled \$59,214,661, against \$89,698,009 in 1915, with the situation most favorable as compared with a year ago, in machinery and tools, and lumber, &c. Trading liabilities of \$74,017,524 compare with \$123,691,220, the decrease being largely in dry goods and carpets, clothing and furnishings, and general stores. The failed liabilities of brokers, agents, &c. at \$21,354,522 contrast with \$28,074,831. Bank, &c. suspensions in the nine-month period, numbered 41 for \$9,487,779, as against 106 for \$23,095,245 in the preceding year.

Canadian failures returns for the three and nine months, likewise, make a very favorable comparison with 1915, both as regards number and the aggregate of liabilities. Only 311 firms defaulted in the third quarter in 1916, this contrasting with 600 a year ago, and the volume of debts at \$4,812,500 shows a contraction of over 2 million dollars. For the nine months, moreover, a great diminution in the number of insolvencies is to be noted—1,342 comparing with 2,050—while the indebtedness at \$20,681,441, exhibits a drop of nearly 10 million dollars. Trading liabilities of \$9,879,664 make up close to half of this year's total, but contrast with no less than \$15,460,390 last year, in the manufacturing division an aggregate of \$7,209,405, compares with \$10,802,914, and among brokers, &c. the current year's debts are \$3,592,372, against \$4,150,211. No bank failures have been reported thus far in 1916.

We referred last week to the statement made by the head of a large financial institution to the effect that he had information that Germany had decided to ask President Wilson to use his good offices in the interest of peace. This news was the source of active selling of securities on the New York Stock Exchange on Friday and again on Saturday. It certainly possesses a significance quite aside from the question of its accuracy, since it has furnished such practical demonstration of the interpretation as a market influence that speculative interests and others are disposed to give to any suggestion of the suspension of hostilities.

Owing to the widespread interest aroused by the publication of the statement referred to, Mr. Charles H. Sabin, President of the Guaranty Trust Co., who was the banker referred to, on Saturday openly assumed responsibility for the circulation of the statement and reiterated that he had what he considered responsible information on the subject. He explained, however, that some of the newspaper representatives to whom he had spoken, in their effort to obtain the fullest particulars, had voiced their own deductions. The suggestion that Ambassador Gerard would act as Germany's spokesman was, for instance, put to Mr. Sabin as a question by one of the newspaper representatives. His reply on that point was that he had no knowledge in that regard, and so far as he was concerned, the only definite information he possessed was that Germany had de-

cided to ask President Wilson to act as mediator and that steps had already been taken towards that end.

It is not possible to determine what would have been the full effect of this reiteration of the peace statement, for a sudden raid by one or more German undersea craft on Sunday on British and neutral steamers off Nantucket Light Ship furnished a new incentive for the sale of securities. On Monday the first hour's business on the Stock Exchange exceeded 900,000 shares. Severe declines resulting from active professional short selling, as well as the uncovering of stop-loss orders, were responsible for a temporary display of demoralization that has had no equal since the sudden death of Governor Flower a few years ago furnished such a severe financial over-night shock. There were numerous wide-openings of prices of the stocks that have recently been speculative favorites. But as Monday's session progressed, and it was found that there had been no additional steamers sunk, a more orderly condition of affairs began to show itself. The general undertone of the market, however, during the remaining days of the week continued to reflect selling pressure and numerous periods of weakness at times developed.

James W. Gerard, American Ambassador to Germany, arrived on Tuesday from Copenhagen on board the steamship Frederik VIII. He was accompanied by Mrs. Gerard. The Ambassador proved to be fully alive to the necessity of practicing diplomatic discretion, for his statements to newspaper representatives were entirely non-committal. So far as can be learned, the Ambassador brought no German peace proposals nor did he bring any official note or other communication from the German Government relative to Germany's reported intention of resuming at an early date more radical submarine warfare on merchant ships.

The raid of the German undersea boat or boats had its spectacular as well as its sensational side. On Saturday afternoon the U-53 suddenly appeared at Newport, R. I., put ashore a boat in which the captain and others on board landed and are understood to have made personal social calls. A letter was mailed to Count von Bernstorff, the German Ambassador at Washington. The captain when interviewed stated that his boat was 17 days out from Wilhelms-haven. His crew included 3 officers and 33 men. So far as is known he took on no supplies. The next heard of him was in the form of wireless dispatches on Sunday that he was sinking vessels off Nantucket Light Ship. By Sunday night there were reports that nine vessels in all had been destroyed, though definite confirmation thus far has been obtained of but five. These five include the Strathdene, British freighter, 4,321 tons, New York for Bordeaux; West Point, British freighter, 2,413 tons, London for Newport News; Stephano, British passenger ship, 2,143 tons, Newfoundland for New York; Bloomersdijk, Dutch steamship, 3,201 tons, New York for Rotterdam, and Christian Knudsen, Norwegian tank steamer, 2,583 tons, New York for London. In addition a British freighter reported to be the Kingston, or Kingstonian, is named as having been destroyed, but there appears to be no mention of such a vessel in the maritime records as being in the vicinity, and the names of the other three vessels are not given. So far as is known no lives were lost,



most of the passengers and crews having been picked up by United States destroyers, which put to sea on the first news that the U-53 had started on its work of destruction. This news was first received from the United States steamship Kansan, which was stopped and then allowed to proceed.

As the various vessels were warned and given time to lower their boats, the German Ambassador takes the position that his country is keeping to its promise that it would conduct "cruiser warfare." The captain of the Stephano, the only passenger ship destroyed, declared that the first warning he received was in the form of a solid shot which struck his ship. President Wilson is determined to obtain all the facts before taking definite action.

Immediately after the recent arrival of the German merchant submarine Deutschland, a memorandum was sent by the Allies to our own as well as other neutral Governments, asking such Governments to take effective measures, if they had not already done so, with a view to preventing belligerent submarine vessels, whatever the purpose to which they are put, from making use of neutral waters, roadsteads and ports. The reply to this memorandum, which bore date Aug. 31, directly refused to bar submarines from our ports and expressly reserved full liberty of action. The memorandum concluded with the following significant paragraph, placing upon the belligerent Powers the responsibility of distinguishing between submarines of neutral and belligerent nationalities:

"In order, however, that there should be no misunderstanding as to the attitude of the United States, the Government of the United States announces to the Allied Powers that it holds it to be the duty of belligerent Powers to distinguish between submarines of neutral and belligerent nationality, and that responsibility for any conflict that may arise between belligerent warships and neutral submarines on account of the neglect of a belligerent to so distinguish between these classes of submarines must rest entirely upon the negligent Power."

Certainly the news this week of further financial preparations for the war do not lend great encouragement to the reports of Germany's decision to seek peace. Mr. Asquith, the British Premier, in the House of Commons on Wednesday, asked a new vote of credit of £300,000,000, which is the 13th request since the beginning of the war, bringing the total up to £3,132,000,000. Meanwhile, press advices from Berlin announce that a bill for a new war credit of 12,000,000,000 marks is soon to be submitted to the Reichstag. The bill, these advices say, is only of a precautionary nature. The dispatches state that the new war loan is not expected to be floated before spring next year, as the Government hopes to get along until then with the funds on hand and with the help of short-term Treasury notes. The fifth Austro-Hungarian loan is to be issued early next month. France, too, has just issued a new long term war loan, although the exact amount of subscriptions has not yet been announced. As to Russia, the Ministry of Finance proposes to issue in November a new war loan of 3,000,000,000 rubles at the same rate as the two previous war loans. There is no question at present of further foreign loans. A special cable to the New York "Times" says that interesting statements regarding Russia's present financial position

have been made by M. Nikiforoff, Director of Credit at the Chancellerie, to a representative of the "Russkoe Slovo," newspaper of Petrograd. "During M. Bark's last journey abroad," said M. Nikiforoff, "all necessary credit operations were successfully arranged, and any new operations are a question of the more distant future. In America the Government has already raised a small loan of 150,000,000 rubles and intends to maintain connection with American financiers in the future, but the rumor of a coming American loan of 3,000,000,000 rubles is entirely untrue."

The British Parliament assembled for the autumn session on Tuesday. It is expected that little will be attempted except so far as the financial requirements of the war are concerned. The Chancellor of the Exchequer, Sir Reginald McKenna, responding to a question, explained that the recent decision to issue 6% Exchequer bonds had been taken because the moment did not appear to be the most favorable to put out a long-dated loan. He could not, he said, give a pledge as to the issuance of such a loan, though he intended to recommend a flotation of this character at the first favorable opportunity. The President of the British Board of Trade, Walter Runciman, announced that the Government had decided to appoint a Royal Commission, with Lord Crawford as Chairman, to take steps to insure adequate and regular supplies of wheat and flour. Mr. Runciman said that it had become clear that the supplying of wheat for Great Britain could not be left to private enterprise. In anticipation of this action the Government had made a large purchase of wheat in Australia and steps had been taken to acquire the tonnage necessary for the conveyance of the wheat to England. The amount purchased is 500,000 tons. Mr. Runciman said the Commission would co-operate with the Allied Committee, which meets daily in London, and has made purchases for England, France and Italy. The Commission, he continued, would avail itself of the experiences of the Committee, which had purchased supplies of sugar. The result would be that importation of wheat would be largely, if not entirely, under control of the Commission. The possibility that large quantities of wheat at present locked up in grain-exporting countries might be freed as a result of military operations led to a disinclination on the part of traders, Mr. Runciman said, to hold more stock than was absolutely necessary. It had become clear the price of wheat could not be left safely to private enterprise. As importation in the future would be in the hands of the State, he explained, the full benefit of the reduction in cost of carriage would accrue to the State. The system adopted by the requisitioning committee would be continued, and the vessels requisitioned would be required to provide space necessary at a fixed cost, and not at variable rates.

As to the British position toward immediate peace, it seems to have been well outlined by Mr. Asquith in moving the vote of credit already referred to. "This is not time for faltering counsel or wavering purpose," he said. "This war cannot be allowed to end in some patched-up, precarious and dishonoring compromise masquerading under the name of peace. No one desires to prolong for a single moment longer than is necessary the tragic spectacle of bloodshed



and destruction; but we owe it to those who have given their lives that their supreme sacrifice shall not have been unavailing. The ends of the Allies are well known. They have been frequently stated. They are not selfish, they are not vindictive, but they require adequate reparation for the past and adequate security for the future." The House cheered the Premier loudly as he made these remarks, it is stated. The credit was voted, virtually no criticism of his statement being offered.

With the new credit just asked, Mr. Asquith said Parliament had been invited to vote for war purposes what was equivalent to the aggregate expenditure for twenty years before the war, although that period included the South African War. When he moved the last vote of credit in July he estimated the average rate of expenditure at approximately £5,000,000 daily. That forecast had proved to be almost entirely correct. At the commencement of the present week, Mr. Asquith continued, there still was on hand £100,500,000, which would carry on the war until Oct. 27. He gave the aggregate expenditure in 113 days of the financial year as: Army, navy and munitions, £379,000,000; loans to Allies and Dominions, £157,000,000; food supplies, railways, &c., £33,000,000. The daily average of expenditures had risen slightly, he said, and was £5,070,000 for the last 77 days of the financial year. Expenditures for the army had fallen off slightly, while those for munitions had increased somewhat. Loans to Great Britain's Allies and Dominions were exceeding the budget estimate, at the present rate. They would not be safe in assuming that expenditures in the future would be less than £5,000,000 daily.

Basing his remarks on the possibility of loans to Allies and Dominions exceeding the Budget estimate of £450,000,000, Mr. Asquith declared that he did not regret the fact since no part of the war expenditure was more important than this. The Premier gave a short review surveying the progress of the war since the last vote of credit. Hot weather, he said, had hampered operations in the secondary theatres, but in Mesopotamia substantial progress had been made with rail and river communications and the health of the troops had improved substantially. The defeat of the Turks at the Katia Oasis, east of the Suez Canal, had gone far to remove the danger of attack on the canal and had impaired Turkish prestige in Arabia and Syria. In Western Egypt the Senussi tribesmen had been reduced to impotence. The Allied armies on the Saloniki front had inflicted heavy losses on their opponents and prevented them from transferring troops to Dobrudja, thus rendering valuable assistance to Russia and Rumania. The whole of the German East African coast had been occupied, the Premier continued, and the complete conquest of the colony was only a matter of time. The Premier gave high praise to General Smuts and the Belgian troops which are co-operating with him. Mr. Asquith explained that in the West the French and British had advanced seven miles on a front of nine miles. But the most important feature of the advance was that in no case had a counter attack succeeded in driving them back. The Germans had virtually abandoned the attack on Verdun. The Allies have taken 60,474 prisoners on the Somme front. Allied aircraft, he added, had obtained complete mastery of the Germans.

In the German Reichstag on Thursday, the discussion dealt quite freely with the question of peace, which is of course in itself a significant development, in view of the suppression of this form of discussion in the past. Philip Scheidemann, the Socialist leader, declared frankly that the chances for peace were poor and continued: "Since Briand and Lloyd George preached war until the bitter end, the Chancellor is unable to talk peace. But we are free to do so. The nations want peace. If the contrary be said in any country then it is absolutely untrue. The French nation is kept ignorant by censorial prohibition of the fact that it could see its country as well as Belgium still free to-day of German troops without shedding one more drop of blood and without losing one more square foot of soil. What do these nations still fight for? That the French shall stay in France. That the Belgians shall stay in Belgium. That the Germans shall stay in Germany. This is the main basis upon which the coming peace will be constructed."

Count Westarp, the Conservative leader, stated that the objects of the war as proclaimed by the Socialist Party were acceptable to him. "We must have territorial integrity, political independence and free economic evolution for Germany," declared Count Westarp. He then protested against Herr Scheidemann's declaration that the French could have peace without losing one square foot of territory. "No," the Conservative leader declared, "what we conquered at the cost of our blood we will hold as long as necessary, in order to assure the future of the German nation."

The Budget Committee in making its report said that the Committee during its deliberations was filled with admiration and gratitude for the German army and navy and recognized the successes obtained under their splendid leadership. "The Committee looks forward with complete confidence," its report said, "to the future military development in all the war theatres. The result of the last war loan proved once more the firm trust of our nation. Our armed forces and our people stand firmly united in a war of defense forced upon us."

Press dispatches cabled from Berlin dated last Saturday state that the result of the fifth German loan—already more than 10,590,000,000 marks—have more than fulfilled the expectations of the Ministry of Finance, as the total has almost reached the figures for the fourth war loan of 10,712,000,000 marks, with some returns from subscriptions from the domestic field and abroad still to be received. Of the total, 5,500,000,000 marks has been paid in. An official statement gives the following message from the Kaiser to Chancellor von Bethmann-Hollweg:

More than 10,500,000,000 of marks have been raised for the war loan by all classes of the people, thus making the total sum placed at the disposal of the Fatherland in long-term loans about 47,000,000,000 marks. This result has been attained at a time when the enemy is making his most ferocious and strongest attacks against us and must be considered an expression of the unshakable confidence of the nation in itself and its future. Germany continues to work amid the devastations of war. So long as everyone gives to the Empire what he profits from this work, the Empire reposes inexhaustibly on its own strength. Gratefully I feel my confidence strengthened that the unconquerable spirit of all our people will lead us to victory.



Military developments in the various war centres of Europe have not been spectacular this week. It is rather difficult to obtain a connected idea from press accounts of the Rumanian situation, though there is reason to believe that the attempted Rumanian invasion of Transylvania has been unsuccessful and that the Teutonic Allies have already penetrated the Dobrudja. What thus far has happened, so far as Rumania helping the Allies is concerned, is that it has diverted two important German armies, namely that of Mackensen and that of Falkenhayn, that would otherwise have been used against the Allies in Macedonia and in Galicia. Along the entire Eastern Transylvania front Rumanians are declared to be in retreat, and on the north side also are beginning to fall back before the Teutonic Allies, according to Berlin. On the other hand Bucharest claims that attacks at various points on their northern and northwestern fronts have been repelled. In Greek Macedonia the British have reached the outskirts of Seres, north of Lake Tahinos. This town is being strongly defended. Both Berlin and Sofia report the repulse of attacks along the Cerna River and on both sides of the Vardar. The British also have gained additional ground north of Thiepval, south of the Ancre River in France, and on the Sars-Guedecourt. South of the Somme violent artillery duels are in progress, especially between Genermont and Chaulmes. In the town of Ablaincourt the Germans and French are fighting at close quarters. The French official communications report that the Serbs fighting in their own territory southeast of Monastir have repulsed Bulgarian counter attacks and have obtained a footing in the village of Brod. The Italians have started a new drive on the Carso front and have driven back the Austrians with heavy losses. The object of the new offensive is believed to be to divert troops that are attacking Rumanians. According to dispatches from Rome, General Cadorna launched his new drive two weeks ahead of time to accomplish this purpose. It is known that large bodies of Austrian troops were withdrawn from the Italian front several weeks ago when the Central Powers decided to attempt to crush Rumania.

Greece has not herself declared war, but certainly is in a practical state of war. Vice-Admiral Dartige du Fournet, commander of the Anglo-French fleet in the Mediterranean, demanded that before 1 o'clock on Wednesday afternoon the entire Greek fleet except the armored cruiser Averoff and the battleships Lemnos and Kilkis be handed over to the Entente Powers. Demand also was made for the surrender of the control of the Piraeus-Larissa Railway which runs through Athens. The reasons for these demands, which, it is understood, were granted promptly, was the fear of treachery, owing to the dispatch of artillery and ammunition to the interior, the movements of Greek ships and the continued activity of the reservist leagues which had aroused fears of a disturbance at points where the Allies' war vessels are anchored and also endangered the security of the Allied troops on the Balkan front. Vice-Admiral du Fournet likewise demanded the disarming of the Kilkis, Lemnos and Averoff and the dismantling of the forts on the sea coast, while the two forts commanding the fleet's moorings had to be given over to the Admiral. Control of certain points was also to be placed in the hands of the Franco-British authorities. In addition to the disarming

of the warships named, their crews are to be reduced to one-third the regular complement. A new Greek Cabinet has finally been formed by M. Lambros, who will be the new Premier. The present Minister of Marine, Rear-Admiral A. Damianos, who openly espoused the revolt of former Premier Venizelos, remains in the new Cabinet. The Entente Powers have again offered to assist Greece in case she enters the war, but it is understood no new concessions have been made. It is learned that Entente diplomatic circles of Athens have advised the French and British Chancelleries, which are charged by the other Allied Governments with the negotiations with Greece, to reply to King Constantine's informal proposals to depart from neutrality, made to the Greek Ministers in London and Paris on Sept. 18, in the following sense:

While the form in which the proposals were made is unacceptable and the question of Bulgarian occupation of Greek soil is considered purely a Greek matter, in which the Entente is not concerned, nevertheless, should Greece voluntarily abandon neutrality, declare war on Bulgaria, and decree a general mobilization, the Entente will be disposed to furnish every assistance in the campaign and to give other material proofs of benevolent interest in the welfare of Greece. It is understood, however, that these diplomatic assurances are not to interfere in any way with the instructions already given the Admiral of the Allied fleets to assure by means of all necessary measures the safety of the Allied armies in the East.

The week has been a quiet one in financial circles in London, although the speech of the Premier, Mr. Asquith, in the House of Commons was well received and tended to improve the general tone of the market for securities. The favorable showing of the Board of Trade import and export statistics for September also proved to be satisfactory. The demands from investors were deflected to Exchequer bonds after the first rush of buying following the opening of the books for the French loan on Saturday. In fact it is stated that the 6% Exchequer bonds yielded more than £20,000,000 last week. Financial circles and particularly holders of the 4½% war loan and other low-priced issues, which recently have fallen to a discount, are hoping the Premier will make some statement regarding the possibilities of the conversion of their holdings into a new loan when such an issue is considered. A promise, although indefinite, by the Chancellor of the Exchequer that he would give this matter consideration caused a substantial rise in the war loan towards the close of the week. It is reported that when the new war loan finally is issued, it will be a 4½% issue, but will be offered at 96, and that the old 4½% issue will be convertible at par into the new. There seems no indication of immediate action, however. Applications for the French loan and for the British Exchequer bonds have not unnaturally reduced money supplies. While distinct stringency has not developed, it is obvious that the English investment markets are becoming more or less unsettled by the high rate of interest that is being offered by the Government. The revenue for the United Kingdom last week was £8,027,000 and the expenditures were £34,118,000. The amount of Treasury bills, meanwhile, was reduced £1,065,000 net. An additional block of Russian credit bills has been placed with bankers at the British centre.



An increase of no less than £7,202,000 in imports and of £11,169,000 in exports was reported by the Board of Trade. The main increases in imports were £3,750,000 in food and £5,500,000 in raw materials. Of the latter about £2,500,000 represented cotton. Manufactured articles decreased £2,000,000. In exports the significant increases included £1,000,000 in coal and £9,000,000 in manufactured articles of which £3,500,000 were cottons and £1,500,000 woollens. Cotton goods exported during the month aggregated 461,698,000 yards, against 409,809,000 yards a year ago. Following are the comparisons of the trade movement for the month and for the nine months that have thus far elapsed of the calendar year:

	September		Jan. 1 to Sept. 30—	
	1916.	1915.	1916.	1915.
	£	£	£	£
Imports .....	77,488,000	70,286,237	714,578,000	644,095,185
Exports .....	43,478,000	32,308,432	379,328,000	282,746,686
Excess of imports .....	34,010,000	37,977,805	335,250,000	361,348,499

The offering of the new French loan, although to date indicating a successful distribution, has acted as a depressing influence on the Paris Bourse, since there has been a more or less general tendency to sell other securities to provide funds for the new issue. Industrial and metallurgic shares, however, have remained firm, as also have Russian industrial stocks, though petroleum issues have experienced some pressure. The subscription books for the new loan are to remain open until Oct. 27. In Paris rain kept many away on the morning of the opening day (Saturday) of subscriptions, but in the afternoon there were long waiting lines outside all places where subscriptions were received. French banks state that a large number of persons paid for their subscriptions in gold. At one window of the Bank of France alone 300,000 francs (about \$60,000) was paid in in two hours. An official communication on Thursday stated that the new loan was bringing gold into the Bank of France, this week's return showing an increase of 16,087,575 francs, bringing the total up to 4,856,533,925 francs. The Chamber of Deputies has passed a new law authorizing the use of postal checks. A bill has been introduced and has passed its first stages making the entire country contribute toward the compensation for damages suffered by the invaded provinces. It is reported by cable that French authorities propose to form an institution very similar to the British Trade Bank. The capital of the French institution will be between 25,000,000 and 50,000,000 francs, and the purpose of the institution will be to assist French trade after the war. The interests behind the new bank expect to have the support of the French Government.

Official bank rates at the leading European centres have remained at 5% in Paris, Vienna and Copenhagen; 5½% in Italy, Sweden and Portugal; 6% in London and Petrograd, and 4½% in Switzerland, Holland, Spain and Norway. In London the private bank rate continues to be quoted at 5½@5⅝% for sixty-day and ninety-day bills. Cables from Berlin report as heretofore 4½% as the nominal private bank rate at that centre. No reports have been received by cable of open market rates at other European centres, so far as we have been able to discover. Money on call in London declined ¼% to 4¼% yesterday.

The Bank of England in its weekly statement reported a further increase in its gold item of £1,065,909. Note circulation decreased £210,000 and the total reserve showed an expansion of £1,276,000. The proportion of reserve to liabilities this week advanced to 22.66%, against 21.23% a week ago and 27.16% last year. Public deposits were increased £2,899,000. Other deposits, however, declined £8,041,000. Government securities remained unchanged. Loans (other securities) registered a reduction of £6,394,000. The Bank's gold holdings now stand at £55,696,429, against £59,955,457 a year ago and £59,235,390 in 1914. Reserves aggregate £37,292,000, which compares with £45,845,002 in 1915 and £43,018,105 the year preceding. Loans total £102,773,000. At the corresponding date a year ago the amount was £114,706,690 and in 1914 £109,715,402. The Bank reports as of Oct. 7 the amount of currency notes outstanding as £121,950,768, against £120,785,480 last week. The amount of gold held for the redemption of such notes remains at £28,500,000. Our special correspondent is no longer able to give details by cable of the gold movements into and out of the Bank for the Bank week, inasmuch as the Bank has discontinued such reports. We append a tabular statement of comparisons:

BANK OF ENGLAND'S COMPARATIVE STATEMENT.					
	1916. Oct. 11.	1915. Oct. 13.	1914. Oct. 14.	1913. Oct. 15.	1912. Oct. 16.
	£	£	£	£	£
Circulation .....	36,854,000	32,560,455	34,667,285	28,845,595	28,628,130
Public deposits .....	55,135,000	70,859,619	23,732,448	5,340,826	9,359,611
Other deposits .....	109,360,000	97,907,026	138,828,702	41,762,006	46,795,927
Gov't securities .....	42,188,000	25,959,825	27,571,087	14,488,105	13,037,909
Other securities .....	102,773,000	114,706,690	109,715,402	24,773,127	33,505,912
Reserve notes & coin .....	37,292,000	45,845,002	43,018,105	25,591,933	27,387,666
Coin and bullion .....	55,696,429	59,955,457	59,235,390	35,987,528	37,565,796
Proportion of reserve to liabilities .....	22.66%	27.16%	26.50%	54.12%	48.75%
Bank rate .....	6%	5%	5%	5%	5%

The Bank of France in its weekly statement registered another increase in its gold holdings of 16,087,575 francs, the gain again being all in the amount held by the Bank itself, the balance held abroad remaining unchanged at 674,558,075 francs. The total holdings at home and abroad aggregate 4,856,533,925 francs, as compared with 4,647,366,645 francs (all in vault) last year and 4,141,350,000 francs in 1914. The silver item showed a falling off of 2,819,000 francs during the week. The total stock of that metal now on hand amounts to 332,286,000 francs, against 363,267,932 francs in 1915 and 625,325,000 francs the year preceding. Note circulation increased 17,750,000 francs. Treasury deposits showed a loss of 10,810,000 francs. General deposits were expanded 93,676,000 francs, but bills discounted, in contrast with the large increase reported last week, were reduced by 76,928,000 francs, while the Bank's advances gained 4,350,000 francs. Note circulation is now 17,028,894,000 francs, comparing with 13,752,143,320 francs and 6,683,175,000 francs, one and two years ago, respectively. General deposits amount to 2,345,844,000 francs, as against 2,611,789,880 last year and 947,575,000 francs in 1914. Bills discounted aggregate 435,227,000 francs, as compared with 274,209,335 francs in 1915 and advances amount to 1,190,194,000 francs, against 582,272,168 francs last year. In 1914 bills discounted and advances combined totaled 3,202,975,000 francs. Treasury deposits are 48,298,000 francs. Last year they amounted to 59,434,588 francs and in 1914 to 382,575,000 francs. The figures here given for 1914 are those for the week ending July 30, the Bank having discontinued the publication of weekly returns with the outbreak of the war.



The Imperial Bank of Germany in its issue as of Oct. 7 shows the following changes: Total coin and bullion increased 7,655,000 marks, gold increased 8,159,000 marks, Treasury notes decreased 22,019,000 marks, notes of other banks increased 7,851,000 marks, bills discounted decreased 3,290,770,000 marks, advances increased 517,000 marks, investments increased 671,000 marks, other securities increased 5,817,000 marks, notes in circulation decreased 139,751,000 marks, deposits decreased 3,050,114,000 marks, other liabilities decreased 100,413,000 marks. Total gold holdings, 2,492,932,000 marks, compared with 2,422,972,000 in 1915 and 1,770,700,000 the year preceding.

In local money circles increasing ease has been suggested by freer offerings of early maturities. There have been no additional importations of gold. On the other hand, there have been no specific demands of importance on the capital market. Activity on the Stock Exchange continues, but the banks are fully equipped to accommodate the demands in this direction.

Last Saturday's bank statement of New York Clearing House members, which will be found in more complete form on a later page of this issue, showed a further increase in loans of \$7,458,000. Net demand deposits were expanded \$11,903,000, while net time deposits also increased \$1,775,000. Reserves in "own vaults" again decreased, this time \$6,819,000 to \$429,797,000, of which \$368,693,000 is specie. Last year the amount in own vaults was \$507,986,000, including \$438,354,000 in specie. Reserves in Federal Reserve banks, however, increased \$3,728,000 to \$170,122,000, against \$147,-430,000 a year ago. Reserves in other depositories declined \$709,000 to \$53,861,000, comparing with \$32,077,000 in 1915. Note circulation showed a contraction of \$67,000. The aggregate reserve was decreased \$3,800,000 and now stands at \$653,780,-000, as against \$687,493,000 at this date last year. Reserve requirements recorded an increase of \$2,-834,090, while as a result of the week's operations the surplus reserve suffered a loss of \$6,634,090, which brought the total excess reserve to \$82,555,480 and compares with \$189,374,720 the year previous.

Referring specifically to money rates, call loans this week for the first time since mid-July touched 4%, the range being 2@4%, compared with 2@2¾% the week previous. Monday the maximum was advanced to 4% with 2½% low and 2¾% the renewal basis. On Tuesday 2¾% continued the ruling quotation, while the high did not go above 3½%, and 2% was the minimum. Wednesday the range was 2@2¾% and 2¾% for renewals. Thursday was a holiday. On Friday 2¾% was again the high and 2½% low and ruling figure. In time money the trend is towards continued ease, although actual quotations remained at 3@3¼% for sixty days, 3¼@3½% for ninety days and 3½% four, five and six months. A year ago sixty-day funds were quoted at 2¼@2½%, ninety days at 2¾%, four months at 2¾@3%, five months at 3% and six months at 3@3¼%. The volume of transactions was not large. Mercantile paper rates were not changed from 3¼@3½% for sixty and ninety days endorsed bills receivable and six months' names of choice character, while names not so well known still require 4%. Banks' and bankers' acceptances are quoted as follows:

	<u>Spot Delivery</u>			<u>Delivery</u>
	<u>Ninety</u>	<u>Sixty</u>	<u>Thirty</u>	<u>within</u>
	<u>Days.</u>	<u>Days.</u>	<u>Days.</u>	<u>30 Days.</u>
Eligible member banks.....	2½ @ 2 7-16	2½ @ 2½	2½ @ 2½	3 @ 2½
Eligible non-member bills.....	2½ @ 2½	2½ @ 2½	2½ @ 2½	3½ @ 2½
Ineligible bills.....	3½ @ 3	3½ @ 2½	3½ @ 2½	3½ @ 3½

There were no changes this week in the rates of any of the Federal Reserve banks.

## DISCOUNT RATES OF FEDERAL RESERVE BANKS.

[illegible]

OPEN MARKET DISCOUNT AND PURCHASE RATES OF FEDERAL  
RESERVE BANKS.

**Bankers' Acceptances.**—Authorized discount rate for all Federal Reserve banks; minimum, 2%; maximum, 4%.

**Trade Acceptances.**—Bills with maturities of 90 days or less, purchased in open market without member bank endorsement, by New Orleans branch of Atlanta Federal Reserve Bank; 3¼ to 4%.

**Commercial Paper.**—Bills purchased in open market by Dallas Federal Reserve Bank: 3 to 5%.

**Bills of Exchange.**—Bills purchased in open market by Atlanta Federal Reserve Bank: 3¼ to 5¼%.

**Bills With or Without Member Bank Endorsement.**—Bills with maturities of 90 days or less purchased in open market by St. Louis Federal Reserve Bank; 2 to 4%.

Sterling exchange presents no new features this week. The fluctuations in rates have been negligent and meaningless, their arbitrary character being indicated clearly by the absence of substantial response to the German submarine raid on Sunday. If rates had not been so completely under control of the British Treasury it seems reasonable to suppose that the possibility suggested by the raid of deferred shipments of merchandise would have become an effective market factor during the earlier days of the week. There have been no developments of a specific nature so far as we have been able to learn, looking to announcement of additional foreign loans here in the near future. Sterling exchange, in fact, seems to have been quite as unresponsive to the peace reports on Saturday last as it was to the submarine developments.

Compared with Friday of the preceding week, sterling exchange on Saturday was dull and not quotably changed from 4 75 11-16 for demand, 4 76-7-16 for cable transfers and 4 71½ for sixty days. On Monday, although the German submarine raid upon Allied ships off the American coast did not cause any marked degree of excitement, some weakness became evident, which, however, was attributed in part to the rise in money here, and quotations declined 1-16 all around, breaking the deadlock that has prevailed in sterling of late, and demand showed a range of 4 75⅝@4 75 11-16, cable transfers of 4 76⅜@4 76 7-16 and sixty days of 4 71¼@4 71½. As might have been expected, operations were of a decidedly restricted character on Tuesday; rates, however, held steady at the previous day's close; demand ruled at 4 75⅝@4 75 11-16, cable transfers at 4 76⅜ and sixty days at 4 71¼. Wednesday's trading showed the usual pre-holiday dullness, and sterling quotations were not changed from 4 76⅜ for cable transfers,



4 75 $\frac{5}{8}$  for demand and 4 71 $\frac{1}{4}$  for sixty days. Thursday was a holiday (Columbus Day). On Friday the market was quiet but steady, rates ruling about the same as on Wednesday. Closing quotations were 4 71 $\frac{1}{4}$  for sixty days, 4 75 $\frac{5}{8}$  for demand and 4 76 7-16 for cable transfers. Commercial sight finished at 4 75 7-16, sixty days at 4 70 $\frac{5}{8}$ , ninety days at 4 68 $\frac{1}{2}$ , documents for payment (sixty days) at 4 70 $\frac{3}{4}$ , and seven-day grain bills at 4 74 $\frac{5}{8}$ . Cotton and grain for payment closed at 4 75 7-16.

The Continental exchanges this week, though displaying some nervousness and irregularity, were not appreciably affected as a result of the destructive undersea raid upon shipping by German submarine warfare off Nantucket Light, and business assumed only moderate proportions, in keeping with which quotations ranged within narrow limits. During the initial operations, francs ruled strong, but later reacted slightly. Reichsmarks also opened firm on buying by prominent banking concerns having German affiliations. Before the close, however, weakness developed and fractional recessions were noted. Russian exchange was still under pressure, though without specific cause, while lire were heavy—fairly liberal offerings coming upon a market almost totally devoid of buyers, causing a drop of more than 2 points for the week. Demand bills on Berlin finished at 70 $\frac{3}{8}$  and cables at 70 7-16, against 70 $\frac{1}{8}$  and 70 $\frac{1}{4}$  a week ago. Kronen closed at 12.00, unchanged. The sterling check rate on Paris finished at 27.81 $\frac{1}{2}$ , which is the same as on Friday of last week. In New York sight bills on the French centre closed at 5 84 $\frac{3}{4}$ , cables at 5 84 $\frac{1}{4}$ , commercial sight at 5 85 $\frac{1}{4}$  and commercial sixty days at 5 90, compared with 5 84 $\frac{1}{2}$ , 5 83 $\frac{1}{2}$ , 5 84 $\frac{3}{4}$  and 5 89 $\frac{7}{8}$ , respectively, last week. Rubles finished at 31.60, against 31.80 (through a misprint given as 37.80) a week ago. Lire closed at 6 47 $\frac{3}{4}$  for bankers' sight and 6 47 for cables. Last week the close was 6 47 and 6 46 $\frac{1}{2}$ .

In the neutral exchanges the trend was towards increased firmness, so far as the Scandinavian rates were concerned, although trading was not active. Guilders were steady, but unchanged, quotations continuing pegged at the levels which have been ruling for some weeks past. Bankers' sight on Amsterdam finished at 40 $\frac{7}{8}$  (unchanged); cables at 40 15-16 (unchanged); commercial sight at 40 $\frac{3}{4}$  (unchanged) and commercial sixty days at 40 $\frac{5}{8}$  (unchanged). Swiss exchange closed at 5 27 $\frac{1}{2}$  for bankers' sight and 5 27 for cables, which compares with 5 31 $\frac{3}{4}$  and 5 31 the week preceding. Greek exchange (which must still be classified as neutral) continues to be quoted at 5 15 $\frac{1}{2}$  for sight bills. Copenhagen checks finished at 27.25, against 27.35. Checks on Norway closed at 27.80, against 27.85 and checks on Sweden finished at 28.45, comparing with 28.45 a week ago. Spanish pesetas closed at 20.13. This compares with 20.10 at the close on Friday of last week.

The New York Clearing House banks, in their operations with interior banking institutions, have lost \$2,179,000 net in cash as a result of the currency movements for the week ending Oct. 13. Their receipts from the interior have aggregated \$7,293,000, while the shipments have reached \$9,472,000. Adding the Sub-Treasury and Federal Reserve operations, which occasioned a loss of \$16,470,000, the combined

result of the flow of money into and out of the New York banks for the week appears to have been a loss of \$18,649,000, as follows:

Week ending Oct. 13.	Into Banks.	Out of Banks.	Net Change in Bank Holdings.
Banks' interior movement.....	\$7,293,000	\$9,472,000	Loss \$2,179,000
Sub-Treas. and Fed. Reserve oper..	16,359,000	32,829,000	Loss 16,470,000
Total .....	\$23,652,000	\$42,301,000	Loss \$18,649,000

The following table indicates the amount of bullion in the principal European banks:

Banks of	Oct. 12 1916.			Oct. 14 1915.		
	Gold.	Silver.	Total.	Gold.	Silver.	Total.
England..	£ 55,696,429	£ —	£ 55,696,429	£ 59,955,457	£ —	£ 59,955,457
France..	167,279,034	13,291,480	180,570,514	185,894,680	14,530,720	200,425,400
Germany..	124,646,600	1,012,815	125,659,415	121,148,600	1,777,350	122,925,950
Russia..	155,377,000	9,541,000	164,918,000	159,079,000	2,489,000	161,568,000
Aus-Hun.c	51,578,000	12,140,000	63,718,000	51,578,000	12,140,000	63,718,000
Spain..	46,939,000	30,193,000	77,132,000	30,415,000	29,316,000	59,731,000
Italy....	38,176,000	3,143,000	41,319,000	45,915,600	4,561,000	50,476,000
Netherl'ds	48,947,000	549,700	49,496,700	32,554,000	152,700	32,706,700
Nat. Bel.h	15,380,000	600,000	15,980,000	15,380,000	600,000	15,980,000
Switz-land	11,571,600	—	11,571,600	9,719,400	—	9,719,400
Sweden..	9,504,000	—	9,504,000	6,300,000	—	6,300,000
Denmark..	8,950,000	234,000	9,184,000	5,946,000	309,000	6,255,000
Norway..	6,279,000	—	6,279,000	2,960,000	—	2,960,000
Tot. week.	740,323,663	70,704,995	811,028,658	726,845,137	65,875,770	792,720,907
Prev. week	737,285,901	70,920,000	808,205,901	725,705,903	66,176,510	791,882,503

a Gold holdings of the Bank of France this year are exclusive of £26,982,323 held abroad.

\* The gold holdings of the Bank of Russia for both years in the above statement have been revised by eliminating the so-called gold balance held abroad.

c July 30 1914 in both years. h Aug. 6 1914 in both years.

#### GERMAN SUBMARINES ON OUR OWN COAST.

Following with singular suddenness on last week's extremely perplexing reports, from Wall Street banking sources, that the German Government was about to ask our Government to mediate for peace, an entirely new turn in events has projected into fresh controversy the whole discussion of American relations with Germany. Last Saturday—the very day when the country was discussing with mingled curiosity and incredulity the report of peace proposals—a large German submarine landed at Newport. It reported itself seventeen days out from Wilhelmshaven, equipped with food, water and supplies for three months, and in no need of replenishment from American sources. The commander of this submarine, in a somewhat spectacular manner, left a message for Ambassador Bernstorff and sailed out within three hours.

It was evident to all observers that new possibilities in the submarine campaign had been created by the arrival of this powerful submersible warship in American waters. Such apprehensions were promptly verified. On Sunday afternoon and Monday morning, news was received that this submarine, either alone or in concert with others, had sunk five merchant ships. The attacks occurred between 7 a. m. and 6:10 p. m. on Sunday. The victims were the English freighters Strathgena and West Point, bound outward for Great Britain; the passenger steamer Stephano of the Red Cross Line, flying the English flag and bound inward from Newfoundland; the Norwegian steamer Christian Knudsen and the Dutch steamer Blommersdijk. Passengers and seamen of all these steamers took to the boats and were rescued by American warships, which were standing in the vicinity.

Pending determination of the manner in which this destruction of merchant vessels, enemy and neutral, was conducted by the German submarines, the greatest anxiety prevailed; and not unnaturally. It was not forgotten, first that German procedure in such matters is still subject to the ultimatum of our Government, sent on the 18th of last April, and to the German pledge sent in response on May 4; both com-



munications bearing specifically on submarine attacks without warning. It was also in the mind of everybody that this latest occurrence came at the climax of a Presidential campaign—a time when, in past electoral contests, exigencies of politics have more than once induced a President standing for reelection to take hasty and drastic action on international affairs, such as he would have been slow to take at an ordinary time. The first question, therefore, was the nature of the submarine attacks of last Sunday.

President Wilson immediately made this statement: "The Government will, of course, first inform itself as to all the facts, that there may be no doubt or mistakes as far as they are concerned, and the country may rest assured that the German Government will be held to the complete fulfillment of its promises to the Government of the United States. I have no right now to question their willingness to fulfill them."

What those promises were may be learned by reference to our State Department's note of last April to Germany, in which it was declared that "the use of submarines for the destruction of an enemy's commerce is, of necessity, because of the very character of the vessels employed and the very methods of attack which their employment of course involves, highly incompatible with the principles of humanity, the long-established and incontrovertible rights of neutrals, and the sacred immunities of non-combatants; and that if the German Government were to continue prosecuting "relentless and indiscriminate warfare against vessels of commerce," by the use of submarines, and should not "effect an abandonment of its present methods of submarine warfare against passenger and freight-carrying vessels," the Government of the United States would be "forced to the conclusion that there is but one course it could pursue." That course would be "to sever diplomatic relations with the German Empire altogether."

This note elicited an answer from the Government at Berlin that German naval forces had been instructed that "vessels, both within and without the area declared a naval war zone, shall not be sunk without warning and without saving human lives, unless the ship attempt to escape or offer resistance." The German answer also contained the reservation that if the United States Government should not achieve certain prescribed purposes in the way of obtaining relaxation of the British blockade, "the German Government would then be facing a new situation, in which it must reserve to itself the liberty of decision."

The report of Naval Secretary Daniels to the President, giving the immediate facts ascertained regarding Sunday's attack, stated that, so far as could be learned, proper warning had been given by the submarines and that the passengers had been allowed to take to their boats before the ships were sunk. Certain questions regarding the actual procedure are still under investigation by our commanding Admiral. But the first announcement in this regard caused very great relief, and the stock market, which had broken with extreme violence on Monday, made a partial recovery.

Some highly unpleasant possibilities remained. There was the question of attacks on neutral ships, which had actually occurred last Sunday; the possibility of such interference with our export trade as to cause an outbreak of strong feeling in this country, and the conceivable occurrence of a mistake by a

submarine commander, whereby an American ship should be attacked. The disappearance of the submarines on the approach of English warships partly relieved this phase of the situation, though it did not solve the difficulties created by the incident. A still further complication, moreover, arose through the note presented by the Allied Governments to our own and the other neutral States. This note, after stating that the usual rules regarding neutral treatment of belligerent warships are rendered inapplicable in the case of submarines "by the fact that these vessels can navigate and remain at sea submerged, and can thus escape all control and observation," and also "by the fact that it is impossible to identify them and establish their national character," proceeded to contend that any neutral port which provides a submarine warship with an opportunity for rest and replenishment of supplies, "becomes in fact, through the advantages which it gives, a base of naval operations."

Therefore, the Allied note assumed, "submarine vessels should be excluded from the benefit of rules, hitherto recognized, . . . regarding the admission of vessels of war or merchant vessels into neutral waters," and that "any belligerent submarine entering a neutral port should be detained there." To this note the reply of Secretary Lansing, under date of Aug. 31, was first published this week. Its salient declarations were these:

"In the opinion of the Government of the United States the Allied Powers have not set forth any circumstance, nor is the Government of the United States at present aware of any circumstances concerning the use of war or merchant submarines which would render the existing rules of international law inapplicable to them. . . . So far as the treatment of either war or merchant submarines in American waters is concerned, the Government of the United States reserves its liberty of action in all respects and will treat such vessels as, in its opinion, becomes the action of a power which may be said to have taken the first steps toward establishing the principles of neutrality."

We regard the attitude of our State Department as entirely correct, notwithstanding the unusual circumstances which surrounded the decision. If our Government were once to begin making discriminations of this nature regarding the character of a given warship, when admitting such a vessel to the temporary port facilities granted by recognized usages of war, there would be practically no limit to the extension of the arbitrary rulings. If we were to make such arbitrary exception on our own account, we should tacitly have admitted the right of other States under parallel circumstances affecting our own interests to make them. The Allied Governments, as we see it, put their case forward in the form of what lawyers call a "caveat," but without reasonable expectation of any answer except that which they have received.

There remains the question as to what light, if any, is cast by this incident on the recent rumors of peace negotiations. We can see no connection whatever. The question was possibly rendered more interesting through the arrival of Ambassador Gerard on Tuesday, returning from Berlin to this country for a short vacation for the first time since the war began. It has, however, already been authoritatively declared that the Ambassador brought no peace proposals. A further rumor, more or less widely circulated, that Mr. Gerard had come to inform our



Government that the intention of the German authorities was to resume an unrestricted submarine campaign, rested wholly on grounds of conjecture. Its basis, so far as we have been able to perceive, was an impression, apparently general in England, that Germany might, in case of President Wilson's defeat at the polls next month, utilize the period of seeming interregnum between election day and the inauguration of a new administration to engage in unrestricted warfare without fear that the United States would fulfill its threat. But this is the merest surmise.

The more immediate question is the effect on our own commercial communications with Europe, in case the activities of the German submarines should continue to be pursued in the immediate neighborhood of our coast. It is impossible as yet to answer this question, except by saying that all previous experience has proved that the power of the submarines for mischief has heretofore rather quickly disappeared when the naval forces of the opposing power had concentrated on the work of resisting them. No one denies that actual blockade of American ports, in so far as they depended for their trade on vessels flying belligerent flags, would be a serious matter, politically and diplomatically. But we are very far from the prospect of any such situation.

#### AMERICAN FINANCE AND THE AMERICAN FARMER.

An English writer, with the Government reports before him, closes his paper with these sentences: "If Germany gets out of this muddle with any dignity at all left, she will have to thank the man and the woman with the hoe. The small holder, not the army, is the backbone of Germany."\*

This is the summing up of a comparison of the resources of England and Germany in food production and its relation to the ability of the countries to sustain the war. As we are launching out with great vigor in "preparedness," it may be profitable to extend the comparison to ourselves. He starts with what will be recognized at once as a fundamental consideration—that of the ownership of the soil. Before the war 93% of the land of Germany was owned by the cultivators, as against 11% in England and Wales. Realizing what the difference means between having only 7% of the land cultivated by men who do not own it in Germany, and having 89% so cultivated as in England, when measured by the value of the sense of responsibility and pride of possession, let us extend the comparison to the United States. According to the last census the range of ownership with us extends from 96% in Maine to 33 and 34% in Mississippi and Georgia. In eight States—South Carolina, Georgia, Alabama, Mississippi, Tennessee, Oklahoma and Texas, over 75% of the farms are worked by tenants. Less than 20% is so operated west of the 110th meridian, i. e., west of the eastern boundary of Utah, while in great States like Illinois, Oklahoma and Texas, and an old one like Maryland, from 40 to 50% of all the improved land is cultivated by others than the owners.

The German farmer (usually a small owner) feeds 70 to 75 persons on the product of each acre of cultivated land; the British farmer (usually a large owner or large tenant), 45 to 50 persons per acre. Per 100 acres the German grows 33 tons of grain,

the Briton 15; the German, 55 tons of potatoes, the Briton 11; the German, 4½ tons of wheat, the Briton 4; the German, 28 tons of milk, the Briton 17½; the German, 2¼ tons of sugar, the Briton none.

Conditions are so different in our country that corresponding figures, if they could be worked out, would be misleading. But some exact statements may be made which are sufficiently suggestive. We take them from the Census of 1910 for closer comparison. The average value of the total crop per acre ranges from \$43 in Massachusetts to only \$10 in South Dakota, and the average for the tilled land of the whole country is only about \$20 per acre. Taking the three States having the largest wheat crop, producing some 251½ million bushels on 12½ million acres, the average production is only 14½ bushels per acre. In the corresponding States, Iowa, Illinois and Minnesota devoting nearly 12 million acres to oats, the average is 31½ bushels per acre. In cotton, Texas, Georgia and Alabama, the three largest producers, the crop is only three-tenths of a bale per acre on 18½ million acres. In potatoes there was, in ten years, an increase in production of 42%, from 273 million bushels to 389 million. In 28 States there has been in the same period an actual decrease in the acreage of cereals!

It will be seen at a glance how far behind we are in relative productiveness measured by the acre of cultivated land. To-day, with the aid of highly developed agricultural machinery, the individual farmer, by tilling a large area, can raise an exceptional amount of food, but with that kind of cultivation as it has been carried on, the productiveness of the soil rapidly diminishes, and with the increase of population the extent of available untilled land is disappearing, while the steady and strong trend of population is to the cities and away from the soil. In these circumstances the productiveness of cultivated land per acre, which has been less regarded because of the abundance of cheap tillable land, becomes of vital importance.

This, in turn, raises the question of the desirable size of individual farms. England has only 4¼ million acres of land in use as farms of less than 50 acres, while Germany has over 38½ millions, 26 millions between 12½ and 50 acres each. This is reported as "the size of small holdings most intelligent men who favor a systematic extension of small holdings want to see multiplied indefinitely in England." It may be accepted as ideally the best where land is to be intensively cultivated, and either heavily populated, or put to the strain of supporting a nation carrying on a great war.

In view of this it is to be noted that there are six and one-third million farms in the United States containing 879 million acres, of which 54%, or 478 million acres, are improved. The average size of these farms has greatly diminished since 1850, under the working of the natural law, according to which the pressure of a growing population is felt even in countries which may have large unsettled areas. It still is 138 acres per holding, or nearly three times the size considered most desirable. Only in Massachusetts, New Jersey and three Southern States is it less than 80 acres. The situation recalls the story of the New England farmer who, early in the last century, was asked by a passing traveler how large his farm was, and replied: "Thank the Lord, only 100 acres; if it were 200 I would be ruined!"

\* William Purvis, in "The New Witness."



The figures we have given concerning Germany and Great Britain are supplied by Mr. T. H. Middleton, Assistant Secretary of the English Board of Agriculture. England has strong advocates of the claim that the large farm is the soundest economic unit, and that we must look to the big farm run on industrial lines as a food factory, as we are doing on the great grain fields of the West, to these, and to the medium-sized farms, for our food supply. Mr. Purvis holds that the German figures "assault this position with both feet, as it were." By the ancient test of good farming in England, namely, the yield of foodstuffs from a given area, he contends that the German peasant proprietor has beaten the large British tenant farmer altogether in the last generation. It is the results of this intensive land culture far more than the much-talked-of skill of the Germans in "organization" which enables them to hold out in the war as they are doing.

Back to the land is the popular cry with us, and the Government is starting out with its usual eagerness, when a cry becomes popular, to respond to it. Much is expected of the new law creating the Farmers' Land banks. The great success of the German land banks is well known, and in the true American fashion we propose to improve upon them. The bill presents some entire novelties, and the scheme as a whole is quite untried with us. We have had to criticise several of its features somewhat severely. The aim is good so far as it calls attention to the opening the country offers on the land to industrious men, and the ready means it supplies of attaining a farm and a home. Apart from the general desirability of the movement, it is immensely important to recognize, in view of the turning of the attention of the whole people as well as of the Government to the question of what constitutes a wise and necessary development of the resources of a nation, and its plans for their mobilization for use in a possible great emergency—that of all forms of wise preparedness, extending the term to embrace all our new measures of financial development. None is more fundamental than that which concerns "the man with the hoe."

#### UNIONISM AND THE LOCAL TRACTION TROUBLES.

Receiver Whitridge of the Third Avenue surface line has issued, by advertisement, an open letter to the employees of that line. Some of them, he says, have been unable to understand the relations of the company to the Amalgamated Society of Street and Electrical Railway Employees of the United States of America, and think that organization should be recognized by him; therefore he wants to make the situation plain to them all.

When he came to his position he thought and said it was none of his business what societies of any kind the men belonged to, and he supposed the union of which he had heard to be a "benefit" society; but he discovered that there was no way of finding how much "benefit" the union conferred, and he did discover that its one apparent purpose was to foment trouble and a belief that the relations between company and men were necessarily hostile. On the contrary, he considers those relations naturally identical in direction, and since 1908 he has raised wages three times; yet he found the union doing its utmost to keep the men from joining the Benefit Association founded by him, which has distributed \$96,111 in sick benefits and founded an insurance

scheme that has distributed \$1,000 each to the beneficiaries of 58 who have died, besides furnishing pensions to some old men still living.

He finds further that this union is unincorporated, yet to "recognize" it means making with it a contract destructive of discipline; "but the union cannot be sued, does not know the nature of a contract, and is not straight enough to be willing to keep a contract it has made." It has never published its accounts or made any statement whatever of them. He declares to the employees that no honest man can take such an attitude, and he has said verbally to many of them that whoever takes another's money and is not always prepared to say where it is or has gone is either fool or knave, and probably both; further, that the employees have allowed themselves to be misled by men "with no more brains than a canary."

Mr. Whitridge puts some of his agency into his language, but it is a question of large public concern whether he is correct in his statements. At least some of them are borne out by the observation of all who watch events. These labor unions are unincorporated and are irresponsible in the ordinary business sense. They seek to interpose their legal bodilessness before any legal proceedings in restraint or punishment of their deeds. Any accounts they may keep are mere private memoranda. The funds they collect are handled by the leaders without responsibility or explanation. Their orders are peremptory. The men must pay their regular dues, have their membership cards ready when called for, do as they are bid, and ask no questions. A complete surrender of individual liberty is the first condition of membership, and the threatened penalty for refusal to come under the union yoke is loss of the right to work. To join means having the hands tied and the mouth closed; refusal to join means being barred from anything upon which to employ the hands. Either within the union or without, the workman is required to accept enslavement. The plea is that the power of the leaders must be absolute or it could not be effective.

Union members can test this by asking themselves privately whether they are freemen or bondmen, and whether they think that being governed by somebody at headquarters who neither accounts for money collected nor justifies orders issued is on the whole profitable—for the membership; that it is profitable and pleasant for the leaders is not open to doubt.

The public at large must needs be injured through these effects upon the individuals, but the effect of unionism as it is practiced is otherwise a public injury. Mr. Whitridge reaffirms what Mr. Shonts has declared and others have discovered: the uselessness of making agreements with persons who do not stand by their agreements and against whom there seem to be no present means of enforcement. Ordinarily, when men will not keep their agreements the law and the courts supply means of compelling them, and the world could not get on if agreements were no more than scraps of paper or words of mouth; but these organizations which undertake to compel everybody, and count public inconvenience and suffering mere incidents, manage to get at least a literal exemption from laws and are still struggling to overawe the courts, as they have already overawed the politicians.

This is a menacing, a formidable, and a growing evil. It has been yielded to, placated for to-day only to come back subsequently, and gathering volume like a wave. When shall the real stand be made



against it? Is the country ready for that stand? In part, this question will be answered on the 7th of November.

### INDIVIDUAL RESPONSIBILITY FOR LABOR COMBINATIONS.

The American anti-Boycott Association, which was actively engaged in the leading case of the Danbury hatters, calls attention to two other cases that have a bearing upon the legal responsibility of individual members of labor unions for acts done in their name by their officers. Certain coal companies in Arkansas brought an action against the United Mine Workers of America for trebled damages in a large amount, and like actions were brought by a mining company in Pennsylvania, charging a general scheme to prevent the operating of open-shop mines. The Arkansas case was dismissed by the Federal District Court as not setting forth a good cause of action under the Sherman Act, but the Federal Circuit Court of Appeals, sitting in St. Paul, has reversed this and has remanded the case to the District Court for trial on the merits, precisely as the Supreme Court did with the Danbury hatters' case.

The defendants set up the claim that they were not suable as an association and that an injured party could do no more than proceed against any individual members who he could show were responsible for the injury. But the last section of the Sherman Act expressly provides that the words "person" or "persons," wherever used therein, shall be deemed to include corporations or associations, thus making no distinction between them in respect to accountability. Such a construction as contended, said the Court, "would relieve labor organizations generally from all liability." This organization of several hundred thousand miners, "capable of doing great good or wrong," sought to interpose this claim as a shield against pursuit when they had done wrong, but the Court did not think it could be said that they are not associations within the meaning of this Section 8 of the Act. Further, even "if defendants are associations within the meaning of the law, it is next insisted that an unincorporated association cannot be sued in the name of the association." Admitting that, in the absence of a specific statute to the contrary, the rule at common law and under the code does not recognize an unincorporated association as having a legal existence apart from its members, the Court said: "The action lies against the members individually but not against the unincorporated association in its collective capacity and name; in many of the States, statutes have been passed changing this rule so that unincorporated associations not having corporate powers may be sued in the name of the association; it has also been ruled that the common-law rule that only entities known to the law are capable of being sued may not only be modified by express enactment but also by statutory implication."

In confirmation of this it may be well to point out that in several cases brought under the Sherman Act, soon after its enactment, in which labor was concerned, it was distinctly held by the courts that the "combinations" intended by the framers and covered in the Act were combinations of labor as well as of capital.

Another question raised in these cases was whether a combination as prohibited was formed "when the defendants had not, by boycott or otherwise, inter-

fered with sales, but had by attacks upon the productive facilities of the mine cut off the output which was sold into inter-State commerce." It would certainly seem to reasonable persons that to restrain production of any article is quite as truly and effectively a restraint of trade in that article as to wait until the article has been produced and made ready for market and then seek to prevent its sale, whether in the process or transportation or otherwise. So it evidently seemed to the Court, which said that "after considering the complaint and the decisions of the Supreme Court and other courts, we can come to no other conclusion than that the case made by the complaint falls within that class of restraints of trade aimed at compelling third parties and strangers, involuntarily, not to engage in the course of inter-State trade except on conditions that the combination imposes, and therefore violates the Act of July 2 1890." In one case cited from the Federal courts, this was said concerning the possible range of restraints:

Section 1 of the Act upon which the counts are founded is not confined to voluntary restraint, as where persons engaged in inter-State trade or commerce agree to suppress competition among themselves, *but includes as well involuntary restraints, as where persons not so engaged conspire to create artificial conditions which necessarily impede or burden the due course of such trade or commerce and restrict the common liberty to engage therein.*

Therefore it was held that the provision of Section 7 of the Act, that "any person who shall be injured in his business or property by any other person or corporation. . . shall recover threefold the damage by him sustained," applies to these cases.

The bearing of the foregoing upon certain disturbances of the recent past and somewhat repeating themselves in this city is evident. That very remarkable combination which held the stage in Washington during the last weeks of August and culminated in what is constantly mis-called an "eight-hour" law—were not the persons engaged therein threatening "to create artificial conditions which necessarily impede or burden" commerce? Does not the clause we italicise above apply to that case? If men, by a combination, actually halted the country's means of transportation, would they not very much "impede or burden" trade and restrict "the common liberty to engage therein?" And in threatening to do this were they not using "involuntary restraint?" Did not both Mr. Wilson and his majority in Congress base their surrender upon constraint?

### WAR FINANCING OF THE DOMINION OF CANADA.

(From a Canadian correspondent.)

Ottawa, Oct. 6 1916.

The probability of further war loans by the Canadian Government during the next six months is already engaging the attention of the Dominion Finance Minister, Sir Thomas White. The enormous over-subscription of the recent loan of \$100,000,000 leaves little room for doubt that the country is prepared to meet the Government's borrowing necessities with a full purse and a willing hand. It is evident that if the war lasts another year, Canada will have to get together at least \$225,000,000 more. At the present rate of Dominion revenues, about \$50,000,000 of this can be supplied from current income,



leaving about \$175,000,000 to be raised by domestic loans.

Meanwhile, as the war bill rises higher and higher, the Government is continuing its efforts to cut down domestic outlays. While revenue receipts for the first five months of the fiscal year up to Aug. 31 aggregated \$84,000,000, an advance of \$24,000,000 over the corresponding period last year, ordinary public works accounts show a reduction of \$2,000,000; public works capital expenditure a decline of \$500,000; while capital outlays on railways and canals shows a reduction of \$3,000,000. The result is that the increase in interest charges upon the national debt, due to the war, and pension charges, are being almost offset. The Finance Department is even hopeful that if revenues hold up the Government will be able to appropriate about \$50,000,000 at the end of the fiscal year to meet the principal of war expenditure.

The Canadian Government and Canadian banks have already furnished Britain a credit of \$200,000,000, and it is pointed out here by Government financial experts that if the British purchases in Canada, on which the country's booming revenues largely depend, are to continue, the banks and manufacturers must be prepared to extend this credit indefinitely. The recent Dominion loan was regarded as particularly promising in that almost the whole amount was issued to individual subscribers, leaving the banks free to finance British purchases.

#### ARRANGING FOR REPAYMENT OF ADVANCES TO FARMERS IN WESTERN CANADA.

*Ottawa, Canada, October 11, 1916.*

For some months past a powerful agitation has been carried on in Canada on behalf of the lending companies interested in Western Canadian mortgages. During 1915 the Dominion Government advanced relief to those in the West who lost their crops through drought and other causes. This relief took the form of food for families, and for stock, and seed grain for land under thorough cultivation. The cost was \$12,609,000 and this constituted a prior lien on the lands of the beneficiaries. Protests of the mortgage companies were of no avail. The loans were to be paid not later than Jan. 1 1916. That date arrived but brought no evidence of a general repayment of the amount of the lien. Word came in September last that the Government had decided to ask for one half of the seed grain and fodder advances with interest. But the meanderings of the seed grain loans are by no means ended. At a meeting of the Calgary Board of Trade recently, a unanimous vote was passed favoring the repayment of the entire loan by June 30 1917. That is over eight months away. Meantime, hundreds of mortgage holders are demanding that they be permitted to pay the amount of the lien on their respective properties and add it to the mortgage principals.

#### LOUISVILLE & NASHVILLE'S PROSPEROUS RESULTS.

Of all the many favorable reports by the railroads of the United States that have thus far come to hand for the fiscal year ending June 30 1916 that of the Louisville & Nashville is perhaps the most noteworthy. The company not only regained the whole of the large loss in revenue that it suffered in the period of great depression in the twelve months

preceding, but it managed to handle the large additional volume of business with only a trifling augmentation in expenses. Stated in brief, gross earnings, after having fallen in the previous year from \$59,906,467 to \$51,606,015, increased to \$60,317,993, but expenses, after having been reduced in the previous year from \$45,012,305 to \$39,431,789, rose only to \$39,790,481. The result is that net earnings, which in the previous year had dropped from \$14,894,162 to \$12,174,226, jumped in the late year to \$20,527,512. In other words, with a gain as compared with 1914-15 of \$8,711,978 in gross the augmentation in expenses was no more than \$358,692, leaving, therefore, a gain in net in the large sum of \$8,353,286.

The increase in gross earnings was natural, with the great transformation which occurred in trade and business conditions. On the other hand, the wonderful expansion in net revenues reflects an advance in operating economy more pronounced than any one would have dared to hope for twelve months ago. The Louisville & Nashville is not so favorably situated for the making of operating records as most leading systems in other parts of the country, owing to the configuration of the system and the further fact that the composition of its traffic varies considerably from that on systems where operating achievements have attained maximum figures. We mean by this that the system has many branches and a scattered mileage, and its traffic is not of such a character as to admit of exceptionally heavy train loads. Nevertheless, steady advance in operating efficiency has been made year by year for some time past, and in the year under review a further and a specially pronounced forward step in the same direction was taken which, striking by itself, becomes still more striking in the light of the circumstances just mentioned.

The average number of tons of freight in each car (loaded and empty) was raised from 14.10 in 1914-15 to 15.85 in 1915-16, and at the same time the average number of cars in each train was increased from 24.64 to 26.19. In this way the average train load was raised in this single period of twelve months from 347 tons to 415 tons, an improvement of 19½%. Put in a little different language, so as to emphasize the significance of the achievement, the system moved 6,511,946,570 tons of freight 1 mile in the year under review, against only 5,144,441,634 ton miles in 1914-15, an increase of 26½%, and did this with an addition to revenue train mileage of only 5.76%.

This great increase in the train load comes on top of a large addition in the previous year and steady, though small, additions in the years immediately preceding. In 1914-15 the increase in average train load was 51 tons. This, added to the 68 tons increase in the late year, makes a total increase in the two years in the lading of the trains of 119 tons—that is, while for 1916 the average load was 415 tons, if we go back no more than two years we find an average of only 296 tons, making nearly 40% gain in these two years. In 1913 the average was 295 tons; in 1912 285 tons; in 1911 275 tons; in 1910 278 tons; in 1909 263 tons and in 1908 only 234 tons. Under this noteworthy improvement in the lading of the trains, the latter earned more per mile in face of a decline in rates.

The decline in freight rates in the case of this system is really one of the noteworthy features in



ts recent history. In the previous year the decline seemed ascribable to a shrinkage in the classes of freight bearing the highest rate, such as general merchandise, the volume of which would naturally sharply contract under trade and business depression, but now we find for the late year a further dwindling in the average in face of a great revival in trade activity. No doubt there have been heavy accessions to the mineral tonnage of the system as a result of the growth of the Southern iron industry and the development of Southern coal fields. It will probably be a surprise to most persons to hear that in 1915-16 the Louisville & Nashville on its entire freight traffic realized an average of only 6.86 mills per ton per mile. In 1914-15 the average was 7.19 mills and in 1913-14 7.78 mills. Thus, there has been a decline of nearly a full mill per ton per mile in the space of two years; but, as already stated, the great gain in the lading of the trains made it possible for the trains to earn more per mile run notwithstanding the lower rates. For 1916 train earnings per mile run were \$2 84, against \$2 49 in 1915; \$2 30 in 1914; \$2 29 in 1913; \$2 23 in 1912, and \$2 11 in 1911.

Both the gross and net earnings of the system for the late year were the largest in the company's annals. The gain over 1914, however, in the case of the gross was relatively slight, owing to the lower rates. The years of previous maximum totals, as far as gross is concerned, were 1912-13 and 1913-14, when the amounts were respectively \$59,465,699 and \$59,906,467. The advance from these figures to \$60,317,993 in 1915-16 is obviously slight, and, judging from these totals, one might imagine that the late year's traffic but slightly exceeded the previous maxima. As a matter of fact, the company transported 35,488,688 tons of freight in 1915-16, against only 32,215,106 in 1913-14 and 32,241,734 in 1912-13, and moved 6,511,946,570 tons 1 mile in the latest year, against only 5,511,812,374 and 5,513,273,784 ton miles in 1913-14 and 1912-13. The decline in freight rates and the fact that the road did not recover more than a small part of the loss in passenger earnings sustained the previous year, will account for the lack of growth in the general totals, notwithstanding the fact that the company, in 1916, carried nearly a billion tons more of freight one mile than in the best two previous years. The earnings from the passenger trains in the latest year were only \$14,125,232, against \$13,330,910 in 1914-15 and \$15,776,434 in 1913-14, and the number of passengers carried 1 mile was 529,426,981, against 499,878,816 in 1914-15 and 577,420,770 in 1913-14. The earnings from the freight trains were \$44,698,108 in 1915-16, against \$36,978,074 in 1914-15 and \$42,906,418 in 1913-14.

The recovery in earnings and expansion in traffic followed, of course, as a direct result of the great change in underlying conditions. In the case of the South, the change was more pronounced than in other sections of the country. The immediate effect of the outbreak of the European war was to precipitate a great decline in the price of cotton, the South's great staple, and this produced the intensest kind of depression throughout the whole of the Southland. But in 1915 the price of cotton recovered and with business reviving in other parts of the country, the South quickly regained its former prosperity and, in fact, witnessed activity on a greater scale than ever before enjoyed. The result,

as far as the Louisville & Nashville is concerned, was the great improvement in traffic and earnings already noted. Under this improvement, the company is able to submit an income statement for the twelve months which has never been surpassed. After allowing for interest, rentals and other fixed charges, a surplus remains on the operations of the twelve months in amount of no less than \$13,953,849.

This compares with only \$4,860,142 surplus for the previous fiscal year. In this previous year it was found necessary to reduce the semi-annual dividends paid on the stock of the company from  $3\frac{1}{2}\%$  to  $2\frac{1}{2}\%$ . In 1915-16, on the other hand, the semi-annual dividend was again increased to  $3\frac{1}{2}\%$ , that being the payment made in August 1916. With the  $2\frac{1}{2}\%$  paid the previous February the total payment out of the year's earnings was 6%, calling for \$4,320,000, as against the \$13,953,849 of surplus remaining on the operations of the twelve months. The full 7% in dividends would call for \$5,040,000, after deducting which there would still remain \$8,913,849, equal to 12% more on the \$72,000,000 of stock outstanding. It follows that while the company is paying 7% on the shares the earnings during the very prosperous year we are reviewing, amounted to over 19%.

The company is abundantly supplied with current funds and the balance sheet for June 30 1916 shows \$16,987,959 of cash on hand, against only \$9,894,133 on June 30 1915. This is in addition to holdings of time drafts and deposits of \$3,238,858. Including this cash and these deposits, current assets June 30 1916 aggregated \$31,779,926 (\$6,664,609 representing material and supplies on hand), while current liabilities were only \$10,070,609. The bonded debt of the company outstanding in the hands of the public was reduced \$2,270,175 during the twelve months.

#### CHESAPEAKE & OHIO'S OPERATING ACHIEVEMENTS.

The Chesapeake & Ohio Railway is one of the smaller systems of the country whose revenue and traffic keep rising in good and bad times alike, and whose operating achievements set a new high mark with each succeeding year. Of course the further growth in revenues is more marked in a period of general business activity and prosperity than in a period of the opposite nature, and accordingly the record in that respect for the year under review is a notable one. On top of all the previous gains there was a further increase in gross earnings in the late year of \$8,774,975, and \$4,542,209 of this was carried forward as a gain in net.

The result of this further addition to net earnings has been that, after providing for fixed charges, a balance remains on the year's operations of \$6,879,216, equal to nearly 11% (in exact figures 10.96%) on the \$62,797,000 of stock of the company outstanding. In the previous year, when the company suspended dividend payments as a matter of prudence and conservatism, and in compliance with the terms of the Note agreement of March 16 1914, the balance for the stock on the operations of the twelve months was \$2,663,536, equal to 4.24% on the shares. In the last four years the company's gross earnings have risen from \$34,289,869 to \$48,239,012 and the net earnings (before the deduction of taxes) from \$11,654,188 to \$16,449,832.



These results are being attained at average freight rates that would bankrupt two-thirds of the railroads of the country and would have been impossible even for the Chesapeake & Ohio not so very long ago. The traffic of the system consists in chief part of coal and other minerals, which of necessity have to be carried at very low rates—both because such traffic will not bear high rates and because competition is so fierce between the different systems and different coal regions—but each year sees the general average scaled down a little lower. For the late year the Chesapeake & Ohio obtained an average revenue per ton per mile from its entire traffic of only 3.80 mills, this comparing with 3.84 mills in 1915 and 4.09 mills per ton mile in 1914. For the coal traffic alone it realized an average of no more than 3.04 mills, this comparing with 3.06 mills in 1915 and 3.12 mills in 1914. From these figures it will be observed that it is necessary for the company to carry over 3 tons of freight one mile in order to earn a single cent gross.

Of course, such extremely low rates would be out of the question if the company had not developed traffic density of a very striking kind so as to give it an enormous number of units of traffic to carry, and if operating economies and operating achievements of a very high order had not been co-incidentally carried step by step to new and advanced points. In the twelve months under review the road transported over ten billion tons of revenue freight one mile. In precise figures, it moved 10,296,523,340 ton miles, which is an increase of three billion ton miles in two years, the total in the fiscal year 1914 having been no more than 7,064,650,082. The traffic density is such that the tonnage of the system averages 4,335,013 tons of revenue freight one mile per mile of road. The Norfolk & Western, a system in contiguous territory, with the same characteristics, can boast of even greater traffic density, as we showed in reviewing that company's report a short time ago, but the record is equaled by few other systems in the country.

Traffic density, however, is only one element in the transportation problem which such systems as the Chesapeake & Ohio and the Norfolk & Western have to solve. Train economy and operating efficiency of a high order must go hand in hand with the development of traffic density, and enormous sums of money had to be spent in order to make efficiency and economy of the kind required possible. From a statement in the present report it appears that \$69,772,570 have been expended during the last seven years for equipment and branch line construction, and in the acquisition of stocks and bonds of auxiliary and branch roads. Under intelligent management, this investment is being made productive, as we have already seen, and yet the return is, after all, small. The report figures out that in the late year the return to the company from transportation operations alone upon its investments in road and equipment was no more than 5.79%—that is, less than 6%—notwithstanding the great expansion in revenues which occurred in that period.

The train-load, it is almost needless to say, made a new high record in the late year. In this particular, the Chesapeake & Ohio keeps well ahead of the Norfolk & Western. In the late year a further 97 tons was added to the average train-load, bringing it above 1,000 tons—1,003 tons—this comparing with 906 tons in 1915 and 870 tons in 1914. The

Norfolk & Western has also long had an enviable record in that respect and has achieved new results year by year. Its train-load for the late year was 957 tons, as against 841 tons in 1915, 802 tons in 1914, 764 tons in 1913 and 692 tons in 1912. Under the great increase in train-load the Chesapeake & Ohio has been able to increase the earnings of its freight trains per mile run in face of the decline of rates already referred to. For 1916 the freight revenue per freight train mile was \$3 80, as against \$3 48 for 1915 and \$3 55 for 1914. The Norfolk & Western is able to do a little better than this, notwithstanding its train-load is not quite so high as that of the Chesapeake & Ohio. But the Norfolk & Western realizes somewhat better average rates, inasmuch as it evidently gets a larger quota of general merchandise traffic and other classes of freight bearing higher rates. The Norfolk & Western's average rate per ton of freight per mile in the late year was 4.20 mills, as against the Chesapeake & Ohio's average of 3.80 mills, and this brought the former's earnings per freight train mile up to \$4 02, while the Chesapeake & Ohio earned only \$3 80 per mile run. These are all notable results and notable achievements and they put these roads in a class all by themselves.

#### RAILROAD GROSS EARNINGS IN SEPTEMBER.

Increases in railroad gross earnings are still the rule, though there are a few instances of decreases, due to special causes. Our early statement for the month of September, presented below, furnishes the occasion for these remarks. In round figures, 86,000 miles of road are represented (including the three large Canadian systems), and the increase on this mileage aggregates \$7,706,996, or 10.95%. The ratio as well as amount of improvement is much smaller than that of any other recent month, it comparing with \$16,692,778 increase, or 24.12%, for August, and \$14,806,058 increase, or 22.76%, for July.

But for September we are comparing with better totals in the preceding year than was the case in either of the two previous months. In these months comparison was with heavily reduced totals, while for September comparison is with figures that had already given signs of recovery. The increase in September 1915 by our early statement was not large, amounting to only \$708,959, or less than 1%, but it marked a turn in the downward movement which had been in progress so long. This increase, however, was only a partial recovery of the heavy loss sustained in the year before (1914), when our early statement showed a shrinkage of \$5,747,837, or 7.05%. Prior to 1914 our early September compilations recorded moderate increases for a considerable number of years back. In September 1913 the increase was \$3,617,644, or 4.64%; in September 1912 it was \$4,988,471, or 7.09%; in 1911, \$2,302,158, or 3.63%; and in 1910, \$2,487,898, or 3.81%. In September 1909 the improvement was of larger proportions, the gain amounting to \$6,613,195, or 11.91%. But that followed a loss in 1908, the falling off then by our early statement having been \$3,986,202, or 5.78%. Up to 1908 the September record of earnings was one of continuous improvement, as will appear from the statement we now annex, giving September comparisons for all the years back to 1896.



September.		Mileage.			Gross Earnings.			
		Year Given.	Yr. Preceding.	In-cr'se.	Year Given.	Year Preceding.	Increase (+) or Decrease (-).	
Year.	Roads	Miles.	Miles.	%	\$	\$	\$	%
1896	117	90,456	89,696	0.85	41,561,327	42,056,682	-495,355	1.18
1897	128	95,865	94,422	1.52	49,720,753	43,333,198	+6,387,555	14.74
1898	123	91,517	90,818	0.77	47,105,094	44,379,196	+2,725,898	6.14
1899	111	95,700	94,503	1.26	58,682,534	53,004,336	+5,678,198	10.71
1900	101	96,165	92,902	3.51	58,270,588	57,173,545	+1,097,043	1.92
1901	96	101,165	99,240	1.98	66,491,460	59,962,628	+6,528,832	10.88
1902	72	89,680	88,083	1.82	61,654,626	56,278,213	+5,376,413	9.55
1903	73	90,183	88,703	1.67	68,192,919	63,748,368	+4,444,551	6.97
1904	66	83,592	81,623	2.41	61,589,566	59,124,478	+2,465,088	4.16
1905	55	80,859	79,023	2.32	61,549,676	58,045,752	+3,503,924	6.03
1906	68	92,839	90,527	2.55	79,890,683	73,290,417	+6,600,266	9.01
1907	55	73,482	72,668	1.12	56,317,229	52,172,480	+4,144,749	7.95
1908	53	83,157	81,908	1.52	64,925,965	68,912,167	-3,986,202	5.78
1909	49	77,460	76,330	1.48	62,138,040	55,524,845	+6,613,195	11.91
1910	50	84,994	82,163	3.43	67,702,377	65,214,479	+2,487,898	3.81
1911	49	83,889	82,099	2.06	67,190,814	64,888,656	+2,302,158	3.63
1912	46	85,901	84,356	1.83	75,580,043	70,591,572	+4,988,471	7.09
1913	44	90,097	88,450	1.87	81,504,881	77,887,237	+3,617,644	4.64
1914	43	91,124	89,503	1.81	75,704,844	81,452,681	-5,747,837	7.05
1915	47	90,087	88,918	1.32	76,783,163	76,074,204	+708,959	0.93
1916	43	86,182	84,341	2.18	78,061,427	70,354,431	+7,706,996	10.95
Jan. 1 to Sept. 30—								
1896	111	88,223	87,464	0.86	326,903,450	312,929,980	+13,973,470	4.46
1897	124	95,250	93,807	1.54	356,545,809	343,560,268	+12,985,541	3.78
1898	122	91,475	90,776	0.77	356,283,597	319,888,352	+36,395,245	11.37
1899	108	95,181	94,026	1.23	435,131,215	399,525,997	+35,605,218	8.91
1900	101	96,165	92,902	3.51	470,582,605	423,590,726	+46,991,879	11.09
1901	93	100,492	98,531	1.99	525,841,522	475,815,865	+50,025,657	10.51
1902	72	89,680	88,083	1.82	489,256,535	451,747,198	+37,509,337	8.33
1903	73	90,183	88,703	1.67	561,854,388	500,075,914	+61,778,474	12.33
1904	66	83,592	81,623	2.41	481,650,242	483,274,172	-1,623,930	0.33
1905	55	80,859	79,023	2.32	484,597,911	452,258,707	+32,339,204	7.15
1906	68	92,839	90,527	2.55	657,972,747	574,286,788	+83,685,959	14.57
1907	55	73,482	72,668	1.12	474,839,846	429,640,386	+45,199,460	10.52
1908	51	82,500	81,251	1.53	486,667,961	575,319,572	-88,651,611	15.41
1909	47	77,147	76,069	1.42	466,976,509	417,976,108	+49,000,401	11.72
1910	49	84,254	81,503	3.37	555,870,669	487,758,708	+68,111,961	13.96
1911	49	83,889	82,099	2.06	532,990,363	524,245,530	+8,744,833	1.74
1912	46	85,901	84,356	1.83	609,914,375	566,204,203	+43,710,172	7.73
1913	44	90,097	88,450	1.87	668,840,523	619,410,858	+49,429,665	8.00
1914	43	91,124	89,503	1.81	623,763,606	664,407,415	-40,643,809	6.12
1915	47	90,087	88,918	1.32	579,961,399	620,736,377	-40,774,978	6.57
1916	43	86,182	84,341	2.18	644,917,573	523,297,945	+121,619,628	23.24

Note.—Neither the earnings of the Mexican roads nor the mining operations of the anthracite coal roads are included in this table.

Our early statement always comprises a considerable number of Western grain-carrying roads, and it is important to note, therefore, that the Western grain movement was on a reduced scale the present year. This year's harvest of the leading cereals, and particularly of wheat, is of much smaller proportions and the extraordinary high prices prevailing did not serve to draw increased supplies to the primary market. The receipts of wheat for the four weeks ending Sept. 30 were 41,387,000 bushels, against 61,400,000 bushels in the corresponding four weeks of last year, the receipts of corn 15,758,000 bushels against 16,518,000, the receipts of oats 29,596,000 against 27,957,000, while the receipts of barley and rye, respectively, were 12,201,000 bushels against 13,318,000, and 4,104,000 bushels against 3,484,000. Adding the figures for the five cereals together, the total grain receipts for the four weeks this year were 103,046,000 bushels against 122,667,000 bushels in the corresponding four weeks in 1915. In the table we now insert we show the details of the Western grain movement in our usual form.

WESTERN FLOUR AND GRAIN RECEIPTS.						
Four weeks end Sept. 30.	Flour. (bbls.)	Wheat. (bush.)	Corn. (bush.)	Oats. (bush.)	Barley. (bush.)	Rye. (bush.)
Chicago—						
1916	686,000	5,719,000	8,939,000	11,997,000	3,000,000	501,000
1915	701,000	8,225,000	9,460,000	15,039,000	1,852,000	574,000
Minneapolis—						
1916	164,000	1,003,000	938,000	4,129,000	2,999,000	479,000
1915	274,000	660,000	760,000	1,984,000	1,520,000	459,000
St. Louis—						
1916	349,000	3,595,000	684,000	1,678,000	250,000	33,000
1915	335,000	3,957,000	1,253,000	1,223,000	83,000	30,000
Toledo—						
1916	—	942,000	171,000	462,000	—	—
1915	—	1,245,000	154,000	588,000	—	—
Detroit—						
1916	29,000	354,000	493,000	448,000	—	—
1915	24,000	215,000	288,000	544,000	—	—
Cleveland—						
1916	74,000	146,000	198,000	544,000	12,000	37,000
1915	55,000	124,000	156,000	430,000	3,000	11,000
Peoria—						
1916	113,000	279,000	2,552,000	936,000	521,000	75,000
1915	198,000	406,000	1,689,000	1,189,000	211,000	31,000
Duluth—						
1916	—	6,881,000	—	327,000	1,593,000	930,000
1915	—	19,258,000	23,000	1,423,000	3,806,000	1,656,000
Minneapolis—						
1916	—	12,959,000	309,000	5,658,000	3,826,000	2,049,000
1915	—	18,794,000	534,000	4,043,000	5,843,000	723,000
Kansas City—						
1916	—	6,206,000	649,000	1,761,000	—	—
1915	—	6,888,000	664,000	535,000	—	—
Omaha—						
1916	—	3,303,000	827,000	1,656,000	—	—
1915	—	1,628,000	1,535,000	939,000	—	—
Total of All—						
1916	1,415,000	41,387,000	15,758,000	29,596,000	12,201,000	4,104,000
1915	1,587,000	61,400,000	16,518,000	27,957,000	13,318,000	3,484,000

Jan. 1 to Sept. 30—	Flour. (bbls.)	Wheat. (bush.)	Corn. (bush.)	Oats. (bush.)	Barley. (bush.)	Rye. (bush.)
Chicago—						
1916	6,896,000	58,365,000	78,066,000	122,088,000	23,913,000	3,298,000
1915	6,149,000	51,551,000	70,408,000	95,283,000	13,792,000	2,842,000
Minneapolis—						
1916	1,304,000	4,502,000	7,875,000	27,617,000	13,844,000	1,981,000
1915	1,653,000	3,281,000	11,984,000	17,993,000	8,910,000	1,989,000
St. Louis—						
1916	3,309,000	30,220,000	14,458,000	13,728,000	923,000	585,000
1915	2,689,000	20,129,000	15,247,000	14,291,000	728,000	250,000
Toledo—						
1916	—	6,022,000	2,907,000	3,651,000	—	26,000
1915	—	4,663,000	3,199,000	4,015,000	7,000	55,000
Detroit—						
1916	253,000	2,012,000	3,645,000	3,561,000	—	—
1915	272,000	1,634,000	2,428,000	3,223,000	—	—
Cleveland—						
1916	560,000	656,000	2,995,000	3,878,000	33,000	90,000
1915	657,000	877,000	2,977,000	3,300,000	21,000	37,000
Peoria—						
1916	1,815,000	3,460,000	29,018,000	8,512,000	2,299,000	455,000
1915	1,924,000	3,606,000	12,089,000	8,862,000	1,418,000	194,000
Duluth—						
1916	—	28,790,000	54,000	2,011,000	5,453,000	1,635,000
1915	—	29,961,000	1,962,000	5,214,000	6,278,000	2,302,000
Minneapolis—						
1916	—	87,947,000	4,647,000	31,273,000	25,368,000	4,470,000
1915	—	66,243,000	10,372,000	13,251,000	17,892,000	2,375,000
Kansas City—						
1916	—	54,779,000	18,912,000	4,696,000	—	—
1915	—	31,545,000	14,047,000	4,483,000	—	—
Omaha—						
1916	—	28,947,000	16,549,000	8,855,000	—	—
1915	—	7,514,000	17,887,000	6,151,000	—	—
Total of All—						
1916	14,137,000	305,700,000	179,126,000	229,870,000	71,833,000	12,540,000
1915	13,344,000	221,004,000	162,600,000	176,066,000	49,046,000	10,044,000

The cotton movement in the South ran somewhat in excess of that for the corresponding month last year. The shipments overland were 90,093 bales in September 1916 against 50,684 in September 1915, and the receipts at the Southern outports were 955,458 bales against 838,780 bales.

RECEIPTS OF COTTON AT SOUTHERN PORTS IN SEPTEMBER AND FROM JAN. 1 TO SEPT. 30 1916, 1915 AND 1914.

Ports.	September.			Since Jan. 1.		
	1916.	1915.	1914.	1916.	1915.	1914.
Galveston.....bales	403,953	309,822	189,947	1,564,319	2,412,399	1,481,584
Texas City, &c.	30,055	46,686	5,373	210,530	449,454	223,980
New Orleans.....	153,567	92,614	23,525	835,483	1,318,693	876,293
Mobile.....	11,644	16,839	11,170	134,669	95,827	142,230
Pensacola, &c.	15,238	2,637	2,839	72,647	91,053	60,635
Savannah.....	216,813	219,881	72,671	673,198	1,185,266	508,875
Brunswick.....	21,500	14,850	1,548	122,632	170,100	69,448
Charleston.....	35,169	63,671	16,735	113,246	249,628	59,356
Georgetown.....	—	45	—	101	1,902	—
Wilmington.....	24,679	42,714	9,224	118,366	215,329	79,882
Norfolk.....	40,197	28,415	8,619	401,071	440,967	227,782
Newport News, &c.	2,643	606	4,520	57,934	82,413	114,705
Total.....	955,458	838,780	346,171	4,304,196	6,713,031	3,844,770

As far as the separate roads are concerned, there are a few decreases this time, as already stated, among which the "Soo" Road and the Minneapolis & St. Louis are particularly prominent, and the decreases in these cases may be attributed to the poor promise for the spring wheat crop the present year. The Great Northern Ry. has a small increase this time, but nowhere equal to the decreases sustained last year and the year before. The roads with particularly heavy gains are the Canadian railways, which also suffered losses the previous year and the year before, too. Southern and Southwestern roads are likewise distinguished for large gains that are in great part a recovery of what was previously lost. In the following we show all changes for the separate roads for amounts in excess of \$30,000, whether increases or decreases.

PRINCIPAL CHANGES IN GROSS EARNINGS IN SEPTEMBER.



## EARNINGS OF NORTHWESTERN AND NORTH PACIFIC GROUP.

September.	1916.	1915.	1914.	1913.	1912.	1911.
\$	\$	\$	\$	\$	\$	\$
Canadian Pac.	11,846,000	9,995,000	10,754,139	12,157,082	11,579,734	10,049,085
Chic Grt Wes.*	1,418,642	1,264,100	1,346,757	1,376,291	1,260,590	1,207,118
Dul S S & Atl.	338,257	306,779	271,566	319,643	289,360	311,280
Great North.	7,964,409	7,862,036	8,081,033	8,834,453	7,557,936	6,549,356
Minn & St L.a	978,963	1,023,357	975,008	906,054	926,409	721,400
M S P & S S M	2,927,720	3,036,936	2,953,067	2,916,658	2,778,060	2,497,743
Total	25,473,991	23,488,208	24,381,570	26,510,181	24,392,089	21,335,982

\* Includes Mason City & Fort Dodge and the Wisconsin Minnesota & Pacific.  
a Includes Iowa Central.

## EARNINGS OF MIDDLE AND MIDDLE WESTERN GROUP.

September.	1916.	1915.	1914.	1913.	1912.	1911.
\$	\$	\$	\$	\$	\$	\$
Buff Roch & P.	1,230,286	1,063,519	867,942	1,049,744	926,167	847,253
Ch Ind & Lou.	732,268	678,816	609,006	635,345	634,868	599,149
Grand Trunk						
D G H & Mil.	5,636,826	4,605,041	4,671,561	4,870,641	4,759,282	4,409,559
Grd Trk Wes.						
Canada Atl.						
Illinois Cent.c	6,280,876	5,756,583	5,529,431	5,855,044	5,556,680	5,222,386
Pere Marquette	2,017,189	1,753,585	1,743,780	1,527,845	1,530,846	1,558,619
Tol Peo & Wes	104,357	111,951	108,517	126,238	123,401	111,025
Tol St L & Wes	488,845	457,368	383,185	378,250	345,094	325,651
West'n Mary'd	1,087,886	930,243	724,690	731,032	681,634	667,823
Total	17,578,533	15,357,106	14,638,112	15,174,139	14,557,972	13,741,465

c Includes earnings of Indianapolis Southern.

## EARNINGS OF SOUTHERN GROUP.

September.	1916.	1915.	1914.	1913.	1912.	1911.
\$	\$	\$	\$	\$	\$	\$
Ala Grt South.	466,396	408,058	407,422	440,538	412,440	398,461
Ala N O & T P						
N Orl & No E	342,014	291,820	291,531	327,776	293,346	288,664
Ala & Vicksb.	141,278	135,784	137,651	155,334	145,680	139,703
Vicks Shv & P	152,350	139,191	128,653	145,669	134,438	116,973
Ches & Ohio.c	4,080,994	4,044,776	3,514,144	3,189,320	2,932,430	2,950,357
Cln N O & T P	977,698	822,328	775,157	923,277	837,968	849,055
Louis & Nash.b	5,357,070	4,862,436	4,602,027	5,321,306	4,932,818	4,750,658
Mobile & Ohio.	989,145	963,988	923,903	1,054,339	974,456	910,330
Southern Ry.	6,378,613	5,731,609	5,509,732	6,010,529	5,548,087	5,424,254
Yazoo & M V.	1,415,813	1,100,166	878,547	1,007,828	848,514	781,778
Total	20,301,371	18,500,156	17,168,767	18,575,916	17,060,177	16,610,233

b Includes the Louisville & Atlantic and the Frankfort & Cincinnati.

c Includes Chesapeake & Ohio of Indiana.

## EARNINGS OF SOUTHWESTERN GROUP.

September.	1916.	1915.	1914.	1913.	1912.	1911.
\$	\$	\$	\$	\$	\$	\$
Colo & South.	1,375,264	1,319,152	1,218,538	1,334,854	1,295,944	1,288,599
Denv & Rio Gr	2,396,900	2,431,700	2,288,259	2,388,191	2,441,241	2,306,546
Mo K & Tex.a	3,270,078	2,626,899	2,692,740	2,908,104	2,943,529	2,694,294
St Louis So W.	1,264,000	969,000	881,161	1,127,344	1,118,963	1,006,447
Texas & Pacific	1,745,899	1,518,084	1,434,307	1,533,195	1,505,068	1,419,655
Total	10,052,141	8,864,835	8,515,005	9,291,688	9,304,745	8,715,541

a Includes Texas Central in all the years and Wichita Falls line from Nov. 1 1912

We now add our detailed statement for the month of September, comprising all the roads for which it has been possible to procure returns for that period up to the present time. We also give the comparative earnings for the same roads for the period from Jan. 1.

## GROSS EARNINGS AND MILEAGE IN SEPTEMBER.

Name of Road.	Gross Earnings.			Mileage.	
	1916.	1915.	Inc. (+) or Dec. (-).	1916.	1915.
Alabama Great South	\$466,396	\$408,058	\$58,338	309	309
Ala N O & Tex Pac					
New Orl & No East	342,014	291,820	+50,194	203	203
Alabama & Vicksb.	141,278	135,784	+5,494	142	142
Vicks Shv & Pac	152,350	139,191	+13,159	171	171
Ann Arbor	242,359	196,467	+45,892	293	293
Atlanta Birm & Atlan	283,980	265,669	+18,311	640	638
Buffalo Roch & Pittsb	1,230,286	1,063,519	+166,767	586	586
Canadian Northern	3,187,900	2,757,000	+430,900	9,296	7,761
Canadian Pacific	11,846,000	9,995,000	+1,851,000	12,993	12,921
Chesapeake & Ohio	4,080,994	4,044,776	+36,218	2,385	2,374
Chicago Great West	1,418,642	1,264,100	+154,542	1,496	1,427
Chic Indianap & Louis	732,268	678,816	+53,452	622	622
Cinc New Orl & Tex P	977,678	822,328	+155,350	337	337
Colorado & Southern	1,375,264	1,319,152	+56,112	1,812	1,798
Denver & Rio Grande	2,396,900	2,431,700	-34,800	2,576	2,576
Denver & Salt Lake	193,900	187,299	+6,601	255	255
Detroit & Mackinac	101,483	84,788	+16,695	392	400
Duluth So Sh & Atl.	338,257	306,779	+31,478	627	627
Georgia South & Fla.	224,551	201,715	+22,836	395	395
Grand Trk of Canada					
Grand Trunk West	5,636,826	4,605,041	+1,031,785	4,533	4,533
Det Gr Hav & Mil					
Canada Atlantic					
Grand Trunk Pacific	2,221,406	2,251,499	-30,093	916	916
Great Northern	7,964,409	7,862,036	+102,373	8,102	8,077
Illinois Central	6,280,876	5,756,583	+524,293	4,767	4,767
Louisville & Nashville	5,357,070	4,862,436	+494,634	5,071	5,037
Mineral Range	95,963	92,204	+3,759	120	119
Minneapolis & St Louis	978,963	1,023,357	-44,394	1,646	1,646
Iowa Central					
Minneapolis St P & S S M	2,927,720	3,036,936	-109,216	4,228	4,190
Missouri Kan & Tex.a	3,270,078	2,626,899	+643,179	3,865	3,865
Mobile & Ohio	989,145	963,988	+25,157	1,160	1,122
Nevada-Calif-Oregon	44,929	49,749	-4,820	275	272
Pere Marquette	2,017,189	1,753,585	+263,604	2,248	2,262
Rio Grande Southern	49,249	51,821	-2,572	180	180
St Louis Southwestern	1,264,000	969,000	+295,000	1,753	1,753
Southern Railway	6,378,613	5,731,609	+647,004	6,982	6,986
Tenn Ala & Georgia	9,691	5,915	+3,776	95	97
Texas & Pacific	1,745,899	1,518,084	+227,815	1,944	1,943
Toledo Peoria & West	104,357	111,951	-7,594	247	247
Toledo St L & West	488,845	457,368	+31,477	450	450
Western Maryland	1,087,886	930,243	+157,643	688	663
Yazoo & Miss Valley	1,415,813	1,100,166	+315,647	1,382	1,381
Total (43 roads)	78,061,427	70,354,431	+7,706,996	86,182	84,341
Net increase (10.95%)					

a Includes Texas Central in both years.

y These figures are for three weeks only

## GROSS EARNINGS FROM JANUARY 1 TO SEPTEMBER 30.

Name of Road.	1916.	1915.	Increase.	Decrease.
\$	\$	\$	\$	\$
Alabama Great Southern	4,339,920	3,538,834	801,086	-----
Ala N O & Texas Pacific				
New Orleans & Nor East	2,939,599	2,647,241	292,358	-----
Alabama & Vicksburg	1,295,336	1,104,022	191,314	-----
Vicks Sarev & Pacific	1,242,005	1,034,498	207,507	-----
Ann Arbor	2,089,895	1,686,096	403,799	-----
Atlanta Birm & Atlantic	2,274,152	1,994,577	279,575	-----
Buffalo Roch & Pittsburgh	9,546,638	7,393,479	2,153,159	-----
Canadian Northern	26,780,400	17,092,300	9,688,100	-----
Canadian Pacific	100,375,628	69,618,909	30,756,719	-----
Chesapeake & Ohio	36,963,302	31,605,502	5,357,800	-----
Chicago Great Western	11,651,006	10,149,264	1,501,742	-----
Chicago Ind & Louisville	6,047,811	5,030,250	1,017,561	-----
Cinc New Orl & Tex Pac	8,725,498	7,028,515	1,696,983	-----
Colorado & Southern	11,429,485	10,127,223	1,302,262	-----
Denver & Rio Grande	18,231,280	16,303,184	1,928,096	-----
Denver & Salt Lake	1,382,827	1,221,299	161,528	-----
Detroit & Mackinac	927,704	794,111	133,593	-----
Duluth So Sh & Atlantic	2,781,309	2,376,976	404,333	-----
Georgia Southern & Fla.	1,850,197	1,576,730	273,467	-----
Grand Trunk of Canada				
Grand Trunk Western	43,984,370	36,863,613	7,120,757	-----
Detroit Gr Hav & Milw				
Canada Atlantic				
Grand Trunk Pacific	2,315,515	2,145,738	1,169,777	-----
Great Northern	59,472,682	46,736,015	12,736,667	-----
Illinois Central	53,378,457	45,652,971	7,725,486	-----
Louisville & Nashville	47,162,262	38,738,386	8,423,876	-----
Mineral Range	806,881	722,101	84,780	-----
Minneapolis & St Louis	7,999,587	7,433,779	565,808	-----
Iowa Central				
Minneapolis St P & S S M	24,829,423	19,899,057	4,930,366	-----
Missouri Kan & Texas.a	25,370,525	23,493,989	1,876,536	-----
Mobile & Ohio	8,933,096	8,098,808	834,288	-----
Nevada-California-Oregon	268,185	280,518	12,333	-----
Pere Marquette	16,471,104	13,613,108	2,857,996	-----
Rio Grande Southern	401,580	396,958	4,622	-----
St Louis Southwestern	9,431,953	7,727,064	1,704,889	-----
Southern Railway	53,977,680	45,862,807	8,114,873	-----
Tenn Ala & Georgia	91,682	52,789	38,893	-----
Texas & Pacific	14,050,163	12,823,399	1,226,764	-----
Toledo Peoria & Western	877,846	856,130	21,716	-----
Toledo St Louis & Western	4,348,157	3,642,489	705,668	-----
Western Maryland	8,654,690	7,153,355	1,501,335	-----
Yazoo & Miss Valley	10,217,743	8,781,861	1,435,882	-----
Total (43 roads)	644,917,573	523,297,945	121,631,961	12,333
Net increase (23.24%)			121,619,628	

a Includes the Texas Central in both years.

y These figures are down to the end of the third week of Sept. only.

## WHOLESALE PRICES IN 1915.

Wholesale prices of commodities in the United States averaged considerably higher in 1915 than in the preceding year, according to Bulletin 200 of the Bureau of Labor Statistics of the U. S. Department of Labor. A statement recently made public by the Department says:

The downward trend which set in towards the close of 1914 did not extend beyond that year and by the end of January 1915 prices of many commodities had advanced to a point well above those of the year before. February prices in the aggregate were above those of January, but slight decreases occurred in March and April. In May prices again advanced and, except for small declines in June and September, continued at high levels throughout the remainder of the year. The Bureau's weighted index number for December stood at 105, the highest point reached in any year since the collection of data for the present series of reports on wholesale prices, dating back to 1890, was begun.

Violent fluctuations were recorded during 1915 in the prices of many commodities, particularly drugs and chemicals and metals and metal products. In the former group, prices as a whole declined during the first five months of the year, after which they rose sharply until the December average was 39% above the average for January and 43% above that for May. Metals and metal products advanced steadily in price throughout the year, except for slight declines in August, September and October. The year closed with prices in this group 37% above the January prices.

In the fuel and lighting group there was little change in prices during the first three months of the year, but marked declines took place in the spring and early summer. In August prices again advanced, the increase continuing for the rest of the year. The December average for this group was 11% above that for January. Prices in the cloths and clothing group showed a steady advance during the entire year, the increase from January to December being more than 11%.

Articles belonging to the food group were, in the aggregate, highest in price in December and lowest in September. The increase between January and December in this group was nearly 4%. Farm products averaged highest in May and lowest in January, September and November. The average for December was only slightly above that for January. In the remaining groups prices as a whole showed a falling tendency during the earlier part and a rising tendency during the latter part of 1915.

Comparing 1915 with 1914, the group of commodities showing the greatest increase in average yearly prices was that of metals and metal products, the increase in the group as a whole being slightly more than 11%. In the drugs and chemicals group the increase between the two years was nearly 10%. The group of farm products showed a 2% increase in the average for 1915 over that for 1914, while the food group and the cloths and clothing group each showed an increase of 1%. Of three groups showing a decrease in average yearly prices in 1915 as compared with 1914, fuel and lighting decreased nearly 6%, lumber and building materials nearly 4% and house-furnishing goods nearly 1%.

Of the 346 commodities or grades of commodities for which the Bureau collected wholesale prices for 1914 and 1915, 174 showed an increase between these two years, 135 showed a decrease, while no change was reported in the case of 37 commodities. A majority of the 174 commodities which increased in price between 1914 and 1915 belong to the farm products, cloths and clothing and metal and metal products groups. Within these three groups, comprising 150 series of price quotations, 93 commodities or grades of commodities increased in price, 44 decreased and 13 were unchanged. Articles showing an increase of more than 20% were native steer hides, rye, wheat, medium fleece wool, 2-32s worsted yarn, ingot copper, copper wire, quicksilver, sheet zinc and spelter. Some of the articles in these three groups which decreased in price were hogs, hops, cotton, cotton bags, cotton blankets, cotton flannels and raw silk.

In each of the three groups, food, fuel and lighting, and lumber and building materials, more than half of the commodities decreased in price from 1914 to 1915. In most instances, however, the decreases were small, while increases of more than 20% were recorded for beans, rye flour, wheat



## REVENUE RETURNS OF UNITED STATES RAILROADS

The following tables show the Gross Earnings, the Operating Expenses, and the Net Earnings (before the deduction of taxes) for the last two fiscal years, of all the steam operating railroads of the United States, which are required to file monthly returns with the Inter-State Commerce Commission because their gross revenues run in excess of \$100,000 per annum.

FOR FISCAL YEARS ENDING JUNE 30 1916 AND 1915—GROSS EARNINGS, OPERATING EXPENSES AND NET EARNINGS.

	Miles of Road.		Gross Earnings.			Operating Expenses.			Net Earnings.		
	1916.	1915.	1916.	1915.	Inc. (+) or Dec. (-).	1916.	1915.	Inc. (+) or Dec. (-).	1916.	1915.	Inc. (+) or Dec. (-).
<b>Group I.</b>											
Atlantic & St Lawrence	167	167	2,080,394	1,557,152	+523,242	1,583,659	1,279,475	+304,184	496,735	277,677	+219,058
Bangor & Aroostook	632	632	3,775,806	3,763,398	+12,408	2,385,958	2,361,050	+24,908	1,389,848	1,402,348	-12,500
Boston & Maine	2,301	2,301	52,075,428	46,673,049	+5,402,379	36,197,958	35,909,772	+288,186	15,877,470	10,763,277	+5,114,193
Can Pac Lines in Maine	234	233	1,957,063	1,297,609	+659,454	1,355,528	1,093,901	+261,627	601,555	203,708	+397,827
Central Vermont	411	411	4,270,686	3,899,659	+371,027	3,188,949	3,047,311	+141,638	1,081,737	852,348	+229,389
Grafton & Upton	18	18	139,798	118,612	+21,186	90,652	90,171	+481	49,146	28,441	+20,705
Hoose Tunnel & Wilm	25	25	118,737	92,366	+26,371	89,312	70,518	+18,794	23,425	21,848	+1,577
Maine Central	1,220	1,220	12,001,673	11,350,423	+651,250	8,192,578	8,143,965	+48,613	3,809,095	3,206,458	+602,637
Montpelier & Wells Riv	45	45	293,048	275,827	+17,221	235,704	224,615	+11,089	57,344	51,212	+6,132
N Y N H & Hartford	2,005	2,005	76,311,653	65,379,264	+10,932,389	51,078,358	44,126,624	+6,951,734	25,233,295	21,252,640	+3,980,655
Newport & Richford	21	21	241,862	180,760	+61,102	239,018	202,058	+36,960	2,844	def21,298	+24,142
Portland Terminal	31	31	262,838	220,948	+41,890	118,442	114,340	+4,102	144,396	106,608	+37,788
Rutland	468	468	3,875,098	4,739,389	-864,291	2,638,094	2,547,051	+91,043	1,237,004	932,338	+304,666
St Johnsbury & L Ch	98	98	351,810	316,036	+35,774	295,857	302,879	-7,022	55,953	13,157	+42,796
Sandy Riv & Rangely L	103	106	197,328	177,276	+20,052	144,341	129,303	+15,038	52,987	47,973	+5,014
Sullivan County	26	26	600,784	514,859	+85,925	347,647	376,785	-29,138	253,137	138,074	+115,063
Union Freight	2	2	162,780	138,202	+24,578	112,203	100,381	+11,822	50,577	37,821	+12,756
Vermont Valley	25	25	535,351	472,956	+62,395	303,408	309,678	-6,270	231,943	163,278	+68,665
Total (18 roads)	7,832	7,834	159,252,137	139,907,785	+19,344,352	108,597,666	100,429,877	+8,167,789	50,654,471	39,477,908	+11,176,563
<b>Group II.</b>											
Baltimore & Ohio	4,539	4,535	111,668,680	91,815,797	+19,852,883	79,319,804	63,925,508	+15,394,296	32,348,876	27,890,289	+4,458,587
Benwood & Wheeling	2	2	130,658	110,300	+20,358	111,829	25,395	+86,434	18,829	def14,365	+33,194
Bloomsburg & Sullivan	29	29	90,222	77,464	+12,758	55,079	52,848	+2,231	34,543	24,610	+9,933
Buffalo & Susqueh RR	252	252	1,681,403	1,444,898	+236,505	1,230,696	1,247,489	-16,793	450,767	197,409	+253,358
Buff Roch & Pittsburgh	586	586	11,971,019	9,479,936	+2,491,083	8,648,789	6,935,252	+1,713,537	3,322,230	2,544,684	+777,546
Cambria & Indiana	26	26	273,091	294,722	-21,631	226,185	207,296	+18,889	46,906	87,426	-40,520
Central New England	304	304	4,870,933	4,055,046	+815,887	2,637,506	2,572,654	+64,852	2,233,427	1,482,392	+751,035
Chestnut Ridge	12	12	136,727	104,994	+31,733	60,420	47,925	+12,495	76,307	57,069	+19,238
Connecting Terminal	1	1	223,468	87,658	+135,810	83,150	66,463	+16,687	140,318	21,195	+119,123
Cornwall	13	13	220,725	128,189	+92,536	101,705	80,557	+21,148	119,020	47,632	+71,388
Couderspt & Pt Alleg	39	39	128,673	117,394	+11,279	87,063	97,007	-9,944	41,610	20,387	+21,223
Cumberland & Penn.	62	64	767,048	811,622	-44,574	707,102	710,023	-2,921	59,946	101,599	-41,653
Delaware & Northern	46	46	131,754	125,239	+6,515	107,018	112,038	-5,020	24,736	13,201	+11,535
Delaware & Hudson	886	881	25,933,675	22,701,943	+3,231,732	16,381,569	14,702,656	+1,678,913	9,552,106	7,999,287	+1,552,819
Del Lack & Western	955	959	49,335,739	43,044,705	+6,291,034	29,511,906	27,411,441	+2,100,465	19,823,833	15,633,264	+4,190,569
Sussex	31	31	178,428	167,479	+10,949	174,380	170,995	+3,385	4,048	def3,516	+7,564
Dorota Southern	3	3	124,301	71,827	+52,474	200,332	119,726	+80,606	def76,031	def47,899	-28,132
E Broad Top RR & Coal	49	46	339,621	315,034	+24,587	139,132	148,866	-9,734	200,489	166,168	+34,321
East Jersey RR & Term	1,988	1,988	187,592	172,067	+15,525	190,887	158,964	+31,923	def3,295	13,103	-16,398
Erie	1,988	1,988	65,115,459	54,780,254	+10,335,205	42,638,484	41,352,461	+1,286,023	22,476,975	13,427,793	+9,049,182
Chicago & Erie—See Group I.											
Fonda Johns & Glovers	88	88	954,011	874,762	+79,249	493,104	467,236	+25,868	460,907	407,526	+53,381
Genesee & Wyoming	18	19	249,585	203,249	+46,336	99,223	93,886	+5,337	150,362	109,363	+40,999
Greenwich & Johnson	21	21	128,318	115,222	+13,096	59,519	54,671	+4,848	68,799	60,551	+8,248
Hoboken Manufacturers	1	1	190,117	116,494	+73,623	173,934	111,793	+62,141	16,183	4,701	+11,482
Hunt & Broad Top Mtn	72	72	665,314	525,075	+140,239	361,918	292,303	+69,615	303,396	232,772	+70,624
Ironton	12	12	289,462	288,309	+1,153	123,805	110,022	+13,783	165,657	178,287	-12,630
Lake Erie Frank & Clar	65	63	149,381	139,821	+9,560	92,978	87,364	+5,614	56,403	52,457	+3,946
Lake Cham & Mor	7	7	276,120	118,315	+157,805	126,827	90,978	+35,849	149,293	27,337	+121,956
Lehigh & Hudson River	296	296	2,109,857	1,816,585	+293,272	1,226,629	1,194,386	+32,243	883,228	622,199	+261,029
Lehigh & New England	296	296	3,278,968	2,646,662	+632,306	1,758,037	1,479,802	+278,235	1,520,931	1,166,860	+354,071
Lehigh Valley	1,444	1,442	47,382,569	42,525,962	+4,856,607	33,092,978	29,447,388	+3,645,590	14,289,591	12,578,574	+1,710,917
Ligonier Valley	16	16	290,340	213,030	+77,310	115,186	109,006	+6,180	175,154	103,424	+71,730
Maryland & Penna	80	80	475,653	511,675	-36,022	337,888	380,099	-42,211	137,765	131,576	+6,189
McKeesport Connecting	5	5	421,485	182,135	+239,350	251,581	211,997	+39,584	169,904	def29,862	+199,766
Monongahela Connect.	6	6	1,264,402	738,143	+526,259	1,044,611	625,987	+418,624	219,791	112,156	+107,635
Montour	52	51	660,078	356,610	+303,468	711,422	592,586	+118,836	def51,344	def235,976	+184,632
Morgantown & Kingwd	49	49	359,895	325,882	+34,013	286,885	283,432	+3,453	73,010	42,450	+30,560
Morristown & Erie	13	13	125,029	106,490	+18,539	70,489	63,462	+7,027	54,540	43,028	+11,512
New Jersey & New York	48	48	879,156	845,394	+33,762	636,143	625,604	+10,539	243,013	219,790	+23,223
N Y & Pennsylvania	56	56	97,175	97,702	-527	87,368	96,258	-8,890	9,907	1,444	+8,463
New York Central	6,031	6,043	209,665,918	171,262,418	+38,403,500	133,176,449	120,337,281	+12,839,168	76,489,469	50,925,137	+25,564,332
For lines west of Buffalo—See Group III.											
N Y Ontario & Western	568	568	8,942,252	8,926,946	+15,306	6,202,922	6,542,906	-340,074	2,739,330	2,383,950	+355,380
N Y Susq & Western	140	140	3,537,346	3,159,505	+377,841	2,413,001	2,124,839	+288,162	1,124,345	1,034,666	+89,679
Northampton & Bath	7	7	127,829	133,353	-5,524	117,001	146,029	-29,028	10,828	def12,676	+23,504
Norwood & St Lawrence	18	18	92,640	75,039	+17,601	45,521	51,998	-6,477	47,119	23,041	+24,078
Pennsylvania											



	Miles of Road.		Gross Earnings.			Operating Expenses.			Net Earnings.		
	1916.	1915.	1916.	1915.	Inc. (+) or Dec. (-).	1916.	1915.	Inc. (+) or Dec. (-).	1916.	1915.	Inc. (+) or Dec. (-).
<b>Group III (Con.)—</b>											
Dayton & Union.....	47	47	\$ 152,132	\$ 141,824	+10,308	\$ 123,184	\$ 126,310	-3,126	\$ 28,948	\$ 15,514	+13,434
Delray Connecting.....	14	2	222,443	88,586	+133,857	174,119	140,739	+33,380	48,324	def52,153	+100,477
Detroit & Mackinac.....	393	400	1,175,727	1,077,317	+98,410	797,584	793,735	+3,849	378,143	283,582	+94,561
Detroit & Toledo Sh L.....	81	79	1,706,518	1,471,160	+235,358	727,705	742,338	-14,633	978,813	728,822	+249,991
Det Grand Hav & Milw.....	191	191	3,242,210	2,655,553	+586,657	2,410,208	2,244,076	+166,132	832,002	411,477	+420,525
Detroit Terminal.....	20	20	619,958	424,038	+195,920	309,087	198,254	+110,833	310,871	225,784	+85,087
Detroit Tol & Ironton.....	441	441	2,212,266	1,767,580	+444,686	1,611,094	1,631,443	-20,349	601,172	136,137	+465,035
Grand Trunk Western.....	347	347	8,818,662	7,238,465	+1,580,197	5,717,700	6,054,365	-336,665	3,100,962	1,184,100	+1,916,862
Hocking Valley.....	350	351	7,411,526	6,181,153	+1,230,373	4,953,577	4,184,370	+769,207	2,457,949	1,996,783	+461,166
Kanawha & Michigan.....	177	177	3,636,400	2,911,415	+724,985	2,282,414	2,064,072	+218,342	1,353,986	847,343	+506,643
Kanawha & West Va.....	38	38	153,497	136,704	+16,793	119,283	114,953	+4,330	34,214	21,751	+12,463
Lake Terminal.....	11	11	575,885	383,715	+192,170	520,615	375,077	+145,538	55,270	8,638	+46,632
Lakeside & Marblehead.....	7	7	168,760	126,027	+42,733	96,887	88,648	+8,239	71,873	37,379	+34,494
Lorain & West Virginia.....	35	35	326,526	245,689	+80,837	84,936	70,970	+13,966	241,590	174,719	+66,871
Louisville & Jeff Bridge.....	4	4	251,184	189,751	+61,433	217,240	205,038	+12,202	33,944	def15,287	+49,231
Manistee & North East.....	190	190	502,318	482,015	+20,303	379,955	395,781	-15,826	122,363	86,234	+36,129
Marquette Col & Cleve.....	49	49	99,899	105,519	-5,620	82,618	80,554	+2,064	17,281	24,965	-7,684
Michigan Air Line.....	106	106	244,411	213,026	+31,385	284,540	287,075	-2,535	def40,129	def74,049	+33,920
N Y Central—See Group II											
Chic Kal & Sag.....	45	45	214,785	198,013	+16,772	115,517	125,605	-10,088	99,268	72,408	+26,860
Cincinnati Northern.....	246	246	1,816,370	1,541,351	+275,019	1,253,072	1,159,737	+93,335	563,298	381,614	+181,684
Cleve Cin Chic & St L.....	2,384	2,381	43,478,002	35,824,106	+7,653,896	29,195,230	27,018,315	+2,176,915	14,282,772	8,805,791	+5,476,981
Detroit & Charlevoix.....	43	43	63,552	78,707	-15,155	82,671	89,786	-7,115	def19,119	def11,079	-8,040
Indiana Harbor Belt.....	See Groups VI & VII										
Lake Erie & Western.....	900	900	6,941,354	5,683,649	+1,257,705	4,607,786	4,409,746	+198,040	2,333,568	1,273,903	+1,059,665
Michigan Central.....	1,803	1,800	41,894,593	33,760,735	+8,133,858	27,845,935	24,876,172	+2,969,763	14,038,658	8,884,563	+5,154,095
N Y Chic & St Louis.....	570	569	14,378,614	11,413,775	+2,964,839	9,904,100	9,063,046	+841,054	4,474,514	2,350,729	+2,123,785
Pitts & Lake Erie.....	225	225	22,635,156	14,639,732	+7,995,424	10,371,814	9,229,102	+1,142,712	12,263,342	5,410,630	+6,852,712
Toledo & Ohio Cent.....	436	436	5,403,920	4,946,740	+457,180	4,030,885	3,826,318	+204,567	1,373,035	1,120,422	+252,613
Zanesville & Western.....	90	90	351,783	335,972	+15,811	430,471	424,140	+6,331	def78,688	def88,168	+9,480
Newburgh & South Sh.....	13	13	887,396	545,122	+342,274	601,305	435,247	+166,058	286,091	109,875	+176,216
Ohio River & Western.....	112	112	221,780	203,515	+18,265	221,786	211,128	+10,658	def6	def7,613	+7,607
Pennsylvania—Lines West of P	See Groups VI & VII										
Central Indiana.....	127	127	222,904	192,844	+30,060	212,183	221,006	-8,823	10,721	def28,162	+38,883
Cine Lebanon & Nor.....	76	75	777,586	574,358	+203,228	575,038	482,072	+92,966	202,548	92,286	+110,262
Grand Rap & Indiana.....	575	575	5,632,005	5,315,747	+316,258	4,149,903	4,070,192	+79,711	1,482,102	1,245,555	+236,547
Pennsylv Company.....	1,758	1,757	71,255,665	53,652,932	+17,602,733	40,447,374	40,012,274	+4,435,100	24,808,291	13,640,658	+11,167,633
Pitts Conr & Yough.....	22	22	518,587	318,953	+199,634	219,934	185,843	+34,091	298,653	133,110	+165,543
Pitts Cin Chic & St L.....	1,489	1,479	47,370,153	38,412,030	+8,958,123	33,827,895	29,136,470	+4,691,425	13,542,258	9,275,560	+4,266,698
Toledo Peoria & West.....	See Groups VI & VII										
Vandalia.....	917	910	12,486,643	10,972,885	+1,513,758	9,370,575	8,686,453	+684,122	3,116,068	2,286,432	+829,636
Waynesb & Wash—See Group II											
Pere Marquette.....	2,251	2,286	21,210,053	18,028,210	+3,181,843	14,530,425	13,444,014	+1,086,411	6,679,628	4,584,196	+2,095,432
Pontiac Oxford & Nor.....	101	101	305,741	287,867	+17,874	264,351	275,707	-11,356	41,390	12,160	+29,230
Pullman RR.....	6	4	138,344	88,180	+50,164	87,659	90,394	-2,735	50,685	def2,214	+52,899
St Clair Tunnel Co.....	2	2	364,430	333,919	+30,511	153,421	129,563	+23,858	211,009	204,356	+6,653
Sheffield & Tionesta.....	41	41	125,215	118,515	+6,700	84,360	75,774	+8,586	40,855	42,741	-1,886
Tionesta Valley.....	84	84	227,868	210,962	+16,906	161,944	154,206	+7,738	65,924	56,756	+9,168
Toledo Saginaw & Musk.....	116	116	197,854	172,121	+25,733	252,585	256,686	-4,101	def54,731	def84,565	+29,834
Toledo St Louis & West.....	451	451	5,643,365	4,636,059	+1,007,306	3,623,892	3,496,954	+126,938	2,010,473	1,139,105	+880,368
Toledo Terminal.....	31	31	492,945	437,499	+55,446	248,181	279,996	-31,815	244,764	157,503	+87,261
Wabash.....	2,519	2,519	34,704,887	29,082,788	+5,622,099	23,749,880	23,178,837	+571,043	10,955,007	5,903,951	+5,051,056
Wabash-Pittsb Term.....	63	63	1,087,057	792,983	+294,074	761,408	635,543	+125,865	325,649	157,440	+168,209
Western Allegheny.....	48	50	272,953	206,291	+66,662	193,692	185,490	+8,202	79,261	20,801	+58,460
Wheeling & Lake Erie.....	512	512	9,184,516	5,428,069	+3,756,447	5,580,840	4,039,740	+1,541,100	3,603,676	1,388,329	+2,215,347
Youngstown & Ohio.....	37	37	308,360	288,834	+19,526	162,660	135,424	+27,236	145,700	135,410	+10,290
<b>Total (65 roads).....</b>	<b>23,622</b>	<b>23,657</b>	<b>428,818,275</b>	<b>342,450,505</b>	<b>+86,367,770</b>	<b>284,651,134</b>	<b>257,532,700</b>	<b>+27,118,434</b>	<b>144,167,141</b>	<b>84,917,805</b>	<b>+59,249,336</b>
<b>Groups IV &amp; V.</b>											
Alabama & Vicksburg.....	143	143	1,684,825	1,493,067	+191,758	1,273,203	1,314,147	-40,944	411,622	178,920	+232,702
Alabama Tenn & North.....	222	222	513,004	413,134	+99,870	350,534	300,509	+50,025	162,470	112,625	+49,845
Appalachicola Northern.....	102	102	189,635	141,335	+48,300	132,456	120,923	+11,533	57,179	20,412	+36,767
Ashland Coal & Iron.....	36	30	200,779	130,186	+70,593	132,582	105,192	+27,390	68,197	24,994	+43,203
Atl & St Andrew's Bay.....	85	84	213,477	177,144	+36,333	146,645	130,672	+15,973	66,832	46,472	+20,360
Atlanta & West Point.....	93	93	1,367,285	1,185,338	+181,947	994,834	934,379	+60,455	372,451	250,959	+121,492
Atl Birm & Atlantic.....	640	638	3,051,876	2,656,482	+395,394	2,454,349	2,374,111	+80,238	597,527	282,371	+315,156
Atlantic Coast Line.....	4,701	4,699	34,445,110	31,536,475	+2,908,635	22,797,008	22,904,157	+107,149	11,648,102	8,632,318	+3,015,784
Birmingham & Northw.....	49	49	119,740	101,839	+17,901	91,293	89,433	+1,860	28,447	12,406	+16,041
Birmingham & Southeast.....	48	48	105,819	96,778	+9,041	68,782	58,806	+9,976	37,037	37,972	-935
Birmingham Southern.....	43	43	992,592	796,498	+196,094	771,441	647,521	+123,920	221,151	148,977	+72,174
Carolina & North West.....	133	133	461,626	410,732	+50,894	337,924	316,698	+21,226	123,702	94,034	+29,668
Carolina Clinch & O.....	283	248	2,932,851	2,131,162	+801,689	1,460,414	1,121,669	+338,745	1,472,437	1,009,493	+462,944
Caro Cl & O of S C.....	18	18	168,593	129,614	+38,979	80,394	70,640	+9,754	88,199	58,974	+29,225
Central of Georgia.....	1,924	1,924	12,567,618	12,108,184	+459,434	8,845,067	8,973,512	-128,445	3,722,551	3,134,672	+587,879
Central West Va & Sou.....	30	30	171,164	167,760	+3,404	91,965	101,906	-9,941	79,199	65,854	+13,345
Charleston & W Caro.....	341	341	1,885,624	1,765,636	+119,988	1,234,266	1,361,344	-127,078	651,358	404,292	+247,066
Charleston Term Co.....	2	2	198,936	227,363	-28,427	159,460	183,194	-23,734	39,476	44,169	-4,693
Charlotte Har & North.....	114	115	490,022	355,665	+134,357	400,938	431,267	-30,329	89,084	def75,602	+164,686
Chattahoochee Valley.....	33	33	138,521	108,652	+29,869	67,351	60,906	+6,445	71,170	47,746	+23,424
Chesapeake & Ohio.....	2,375	2,372	48,239,012	39,464,037	+8,774,975	31,789,179	27,556,414	+4,232,765	16,449,833	11,907,623	+4,542,210
Chesapeake Beach.....	28	28	103,608	99,535	+4,073	90,630	97,703	-7,073	12,978	def168	+13,146
Chicago Mem & Gulf.....	52	52	195,135	203,160	-8,025	136,830	141,406	-4,576	58,305	61,754	-3,449
Cin New Ori & Tex Pac.....	337	337	11,060,440	9,422,251	+1,638,189	7,592,379	6,807,448	+784,931	3,468,061	2,614,803	+853,258
Coal & Coke.....	197	197	1,099,531	969,878	+129,653	859,308	781,899	+77,409	240,223	187,979	+52,244
Colum Newb & Laurens.....	75	75	320,608	271,817	+48,796	227,730	233,898	-6,168	92,878	37,914	+54,964
Durham & Southern.....	36	36	348,628	294,617	+54,011	163,249	170,436	-7,187	185,379	124,181	+61,198
E Tenn & W Nor Caro.....	36	36	248,605	190,465	+58,140	127,447	106,437	+21,010	121,158	84,028	+37,130
Fernwood & Gulf.....	32	32	179,944	158,149	+21,795	123,293	121,536	+1,757	56,651	36,613	+



	Miles of Road.		Gross Earnings.			Operating Expenses.			Net Earnings.		
	1916.	1915.	1916.	1915.	Inc. (+) or Dec. (-).	1916.	1915.	Inc. (+) or Dec. (-).	1916.	1915.	Inc. (+) or Dec. (-).
<b>Groups IV &amp; V (Con.)</b>											
Standard & Hernando	34	34	\$ 35,221	\$ 22,054	+13,167	\$ 28,178	\$ 34,438	-6,260	\$ 7,043	\$ 12,384	+5,341
Tampa & Gulf Coast	87	84	186,873	185,473	+1,400	130,794	114,952	+15,842	56,079	70,521	-14,442
Tampa Northern	63	63	109,657	112,043	-2,386	111,320	146,384	-35,064	def1,663	def34,341	+32,678
Tenn Ala & Georgia	96	97	101,878	69,693	+32,185	130,790	96,852	+33,938	def28,912	def27,159	+1,753
Tennessee Central	294	294	1,619,238	1,481,404	+137,834	1,277,846	1,259,451	+18,395	341,392	221,953	+119,439
Tennessee & No Caro	37	37	150,712	114,446	+36,266	81,260	59,031	+22,229	69,452	55,415	+14,037
Union Ry (Memphis)	19	21	102,761	92,774	+9,987	71,983	93,896	-21,913	30,778	def1,122	+31,900
Virginia & Carolina So	61	61	135,003	102,887	+32,116	74,657	61,619	+13,038	60,346	41,268	+19,078
Virginia Carolina	79	79	212,237	128,229	+84,008	118,427	75,785	+42,642	93,810	52,444	+41,366
Virginian	505	504	7,390,382	5,820,406	+1,569,976	3,844,626	3,376,851	+467,775	3,545,756	2,443,555	+1,102,201
Wadley Southern	89	89	96,371	94,261	+2,110	102,363	110,843	-8,480	def5,992	def16,582	+10,590
Washington Southern	35	36	1,611,288	1,263,358	+347,930	951,850	905,804	+46,046	659,438	357,554	+301,884
Western Ry of Ala	133	133	1,308,758	1,252,293	+56,465	970,494	1,054,450	-83,956	338,264	197,843	+140,421
Williamson & Pond Crk	16	16	153,287	116,281	+37,006	60,109	50,025	+10,084	93,178	66,256	+26,922
Winston-Salem Southb.	94	94	609,994	461,089	+148,905	309,254	302,499	+6,755	300,740	158,590	+142,150
Wrightsville & Tennille	104	104	264,339	271,368	-7,029	229,149	220,954	+8,195	35,190	50,414	-15,224
Yasoo & Miss Valley	1,382	1,382	13,552,431	11,836,984	+1,715,447	8,928,039	8,343,201	+584,838	4,624,392	3,493,783	+1,130,609
Total (97 roads)	47,306	42,210	436,639,005	373,105,956	+63,533,049	284,823,655	270,811,870	+14,011,785	151,815,350	102,294,086	+49,521,264
<b>Groups VI. &amp; VII.</b>											
Ahnapee & Western	34	34	111,393	117,646	-6,253	66,893	78,455	-11,562	44,500	39,191	+5,309
B & O Chic Term	79	79	1,796,502	1,555,299	+241,203	1,360,216	1,084,538	+275,678	436,286	470,761	-34,475
Belt Ry of Chicago	31	24	2,911,555	3,168,142	-256,587	1,916,284	1,704,062	+212,222	995,271	1,464,080	-468,809
Big Fork & Internat P	34	34	107,794	125,236	-17,442	69,682	69,528	+154	38,112	55,708	-17,596
Chicago & Alton	1,052	1,052	16,325,288	14,245,624	+2,079,664	11,601,794	11,072,707	+529,087	4,723,494	3,172,917	+1,550,577
Chic & East Illinois	1,234	1,136	16,698,404	14,100,772	+2,597,632	12,680,319	11,477,869	+1,202,450	4,018,085	2,622,903	+1,395,182
Chicago & Ill Midland	25	25	290,099	236,050	+54,049	201,675	179,772	+21,903	88,424	56,278	+32,146
Chicago & Ill Western	16	14	156,256	138,484	+17,772	126,377	124,519	+1,858	29,879	13,965	+15,914
Chicago & North West	8,108	8,108	91,313,866	80,779,675	+10,534,191	61,952,329	56,371,573	+5,580,756	29,361,537	24,408,102	+4,953,435
Chicago & Western Ind	27	27	194,337	199,899	-5,562	199,399	185,455	+13,944	def5,062	14,444	-19,506
Chicago Burl & Quincy	9,369	9,365	102,358,893	91,125,081	+11,233,812	61,713,161	60,441,367	+1,271,794	40,615,732	30,683,694	+9,932,038
Quincy O & Kan City	267	268	870,618	853,190	+17,428	755,879	736,282	+19,597	114,739	66,908	+47,831
Chicago Great Western	1,456	1,427	15,067,345	13,920,685	+1,146,660	10,716,498	10,446,567	+269,931	4,350,847	3,474,118	+876,729
Chicago Junction	13	24	2,329,410	1,976,561	+352,849	1,824,222	1,652,207	+172,015	505,188	324,354	+180,834
Chicago Milw & Gary	131	131	445,763	356,163	+89,600	360,179	326,107	+34,072	85,589	30,056	+55,533
Chic Milw & St Paul	10,130	10,076	105,646,484	91,435,374	+14,211,110	69,120,958	61,971,701	+7,149,257	36,525,526	29,463,673	+7,061,853
Chic Peoria & St Louis	255	255	1,752,800	1,597,909	+154,891	1,429,779	1,412,315	+17,464	323,021	185,594	+137,427
Ch St P Minn & Om	1,753	1,753	19,522,563	17,841,348	+1,681,215	12,958,838	12,107,598	+851,240	6,563,725	5,733,750	+829,975
Chicago Short Line	12	12	129,389	93,322	+36,067	96,887	83,553	+13,334	32,502	9,739	+22,763
Chic W Pullman & Sou	12	12	330,080	199,509	+130,571	202,542	136,823	+65,719	127,538	55,686	+71,852
Copper Range	140	140	907,963	673,675	+234,288	560,775	433,844	+126,931	347,188	239,831	+107,357
Dav R I & Northwest	49	49	117,492	75,930	+41,562	132,034	90,113	+41,921	def14,542	def14,153	+359
Denver Laramie & N W	57	57	134,756	106,694	+28,062	131,447	113,114	+18,333	3,368	def6,420	+9,729
Des Moines Union	5	5	108,020	95,584	+12,436	41,815	9,687	+32,128	66,205	85,897	-19,692
Duluth & Iron Range	278	273	6,493,283	4,824,605	+1,668,678	3,308,341	2,761,606	+546,735	3,184,942	2,062,999	+1,121,943
Duluth & Northwestern	62	62	151,309	166,467	-15,158	111,543	151,429	-39,886	39,766	15,038	+24,728
Duluth & Nor Minn	137	108	240,152	311,761	-71,609	264,951	250,784	+14,167	def24,799	60,977	-85,776
Duluth Missabe & Nor	391	370	11,470,003	6,292,071	+5,177,932	4,824,084	2,990,202	+1,833,882	6,645,919	3,301,869	+3,344,050
Duluth So Sh & Atl	628	626	3,506,792	2,938,597	+568,195	2,482,149	2,401,835	+80,314	1,024,643	536,672	+487,971
Duluth Winnipeg & Pac	187	185	1,692,720	1,285,548	+407,172	1,053,281	971,155	+87,126	634,439	314,393	+320,046
East St Louis Connect'g	3	3	486,954	440,616	+46,338	287,071	315,357	-28,286	19,583	125,259	-105,676
Elgin Joliet & Eastern	736	777	13,353,457	8,541,355	+4,812,102	7,620,248	5,298,604	+2,321,644	5,733,209	3,242,751	+2,490,458
Escanaba & Lake Sup	141	142	263,349	305,119	-41,770	185,935	198,988	-13,053	77,414	106,131	-28,717
Farmers' Grain & Ship'g	66	66	106,840	80,682	+26,158	75,957	70,150	+5,807	30,883	10,532	+20,351
Gallatin Valley	76	76	128,836	113,615	+15,221	96,291	88,773	+7,518	32,545	24,842	+7,703
Great Northern	8,101	8,102	81,233,092	67,133,303	+14,099,789	43,862,972	36,798,928	+7,064,044	37,370,120	30,334,375	+7,035,745
Great Western	57	57	270,098	236,512	+33,586	161,032	139,456	+21,576	109,066	97,056	+12,010
Green Bay & Western	253	253	816,119	770,063	+46,056	549,349	531,412	+17,937	266,770	238,651	+28,119
Hannibal Connecting	6	6	79,025	79,976	-951	82,048	87,671	-5,623	def3,023	def7,695	+4,672
Illinois Central	4,767	4,767	69,077,343	62,111,552	+6,965,791	51,173,728	47,975,197	+3,198,531	17,903,615	14,136,355	+3,767,260
Illinois Northern	7	7	421,341	306,954	+114,387	245,903	201,953	+43,950	174,438	105,031	+69,407
Illinois Southern	137	137	698,981	532,460	+166,521	509,912	427,049	+82,863	189,609	105,411	+84,198
Illinois Terminal RR	26	26	410,143	299,137	+111,006	282,707	194,449	+88,258	217,436	104,688	+112,748
Indiana Harbor Belt	110	110	4,136,471	3,276,224	+860,247	2,685,351	2,262,446	+422,905	1,451,120	1,013,778	+437,342
Keweenaw Gr B & W	37	37	226,697	215,489	+11,208	131,224	125,954	+5,270	95,473	83,535	+11,938
Lake Superior & Ishp	35	35	802,590	350,733	+451,857	471,623	325,108	+146,515	330,967	25,625	+305,342
Litchfield & Madison	44	44	249,401	214,802	+34,599	151,029	150,211	+818	98,372	64,591	+33,781
Manistique & Lake Sup	63	63	118,471	132,909	-14,438	95,086	106,462	-11,376	20,385	26,267	-6,882
Manufacturers' June'g	17	17	94,192	68,981	+25,211	63,148	59,464	+3,684	31,044	9,517	+21,527
Milwaukee Terminal	8	7	156,820	148,878	+7,942	101,807	102,928	-1,121	55,013	45,950	+9,063
Mineral Pt & Northern	31	31	120,859	93,075	+27,784	85,289	79,086	+6,203	35,570	13,971	+21,599
Mineral Range	120	120	1,073,472	847,465	+226,007	819,640	608,619	+211,021	253,832	238,846	+14,986
Minneapolis & Rainy River	74	88	119,756	126,874	-7,118	148,431	134,205	+14,226	def28,675	def7,331	+21,344
Minneapolis & St Louis	1,646	1,646	10,721,513	10,111,975	+609,538	7,022,098	6,903,594	+118,504	3,699,415	3,208,381	+491,034
Minn St Paul & S M	4,228	4,103	35,010,064	27,763,225	+7,246,839	19,081,068	17,811,374	+1,269,694	15,924,996	9,951,851	+5,973,145
Minnesota & Internat	196	197	839,854	824,560	+15,294	561,136	570,069	-8,933	278,718	254,491	+24,227
Montana Wyo & Sou	29	29	230,869	171,700	+59,169	112,869	97,666	+15,203	118,000	74,034	+43,966
Munising Marq & S E	138	138	595,180	457,037	+138,143	409,968	379,195	+30,773	185,212	77,842	+107,370
Muscatine North & Sou	55	55	167,704	134,556	+33,148	113,261	100,041	+13,220	54,443	34,515	+19,928
Northern Pacific	6,505	6,466	75,939,231	63,171,653	+12,767,578	40,366,412	37,108,049	+3,258,363	35,572,819	26,063,604	+9,509,215
Peoria & Pekin Union	19	18	1,047,299	940,824	+106,475	823,795	776,620	+47,175	223,504	164,204	+59,300
Peoria Ry & Term Co	11	12	254,427	209,371	+45,056	187,947	191,822	-3,875	66,480	17,549	+48,931
Pierre Rap City & N W	165	165	354,494	308,874	+45,620	373,633	255,793	+117,840	def19,139	53,081	+72,220
Ry Trans of Minneap	3	3	250,793	213,478	+37,315	132,016	111,227	+20,789	118,777	102,251	+16,526
Rock Island Southern	62	62	260,824	260,341	+483	174,407	164,842	+9,565	86,417	95,499	-9,082
St Louis & Hannibal	103	103	242,431	238,072	+4,359	210,501	210,722	-221	31,930	27,350	+



	Miles of Road.		Gross Earnings.			Operating Expenses.			Net Earnings.		
	1916.	1915.	1916.	1915.	Inc. (+) or Dec. (-).	1916.	1915.	Inc. (+) or Dec. (-).	1916.	1915.	Inc. (+) or Dec. (-).
<b>Groups VIII &amp; IX (Con)</b>											
Jonesboro Lake C & E.	96	96	344,694	284,121	+60,573	256,748	216,133	+40,615	87,946	67,988	+19,958
K C Clinton & Springf.	154	154	346,142	382,314	-36,172	301,211	294,008	+7,203	44,931	88,306	-43,375
Kan City Mex & Orient	738	738	2,599,332	2,397,039	+202,293	2,484,297	2,090,012	+394,285	115,036	307,027	-191,992
Kansas City Southern	837	827	10,583,630	10,035,896	+547,734	6,361,722	6,478,822	-117,100	4,221,908	3,557,074	+664,834
Kansas City Terminal	20	19	945,209	707,620	+237,589	510,596	458,603	+51,993	434,613	249,017	+185,596
Louisiana & Arkansas	279	279	1,652,092	1,679,951	-27,859	1,069,112	1,113,721	-44,609	582,980	566,230	+16,750
Louisiana & North West	121	121	273,137	245,039	+28,098	233,672	239,485	-5,813	39,465	5,554	+33,911
Louisiana & Pacific	83	79	281,855	260,494	+21,361	169,561	166,442	+3,119	112,294	94,052	+18,242
Louisiana Ry & Nav Co	351	351	2,180,030	2,023,698	+156,332	1,512,785	1,535,730	-22,945	667,245	487,968	+179,277
Manitou & Pike's Peak	9	9	165,797	86,595	+79,202	84,471	66,585	+17,886	81,326	20,010	+61,316
Manufacturers Ry	3	3	154,640	87,586	+67,054	129,461	154,167	-24,706	25,179	def66,581	+91,760
Marshall & East Texas	93	93	188,357	160,773	+27,584	205,851	182,047	+23,804	def17,494	def21,274	+3,780
Memphis Dallas & Gulf	131	131	336,866	270,439	+66,427	265,888	218,723	+47,165	70,978	51,716	+19,262
Midland Terminal	29	29	93,928	122,464	-28,536	88,590	72,317	+16,273	5,338	50,147	-44,809
Midland Valley	381	380	1,862,608	1,392,739	+469,869	1,316,159	1,080,823	+235,336	546,449	311,916	+234,533
Miss Riv & Bonne Terre	64	71	844,941	693,685	+151,256	486,224	360,734	+125,490	96,700	def151,194	+247,894
Missouri & North Ark	365	365	1,195,832	1,181,851	+13,981	1,099,132	1,333,045	-233,913	6,691,163	9,931,167	-3,240,004
Missouri Kansas & Tex	3,865	3,865	32,485,508	32,898,759	-413,251	25,794,345	22,967,592	+2,826,753	def15,169	def15,498	+3,677
Mo Okla & Gulf of Tex.	125	19	217,663	128,094	+89,569	222,832	143,592	+79,240	def7,600	def105,555	+97,955
Missouri Okla & Gulf	334	334	1,416,301	1,174,211	+242,090	1,423,901	1,279,766	+144,135	6,744,925	6,626,512	+118,413
Missouri Pacific	3,931	3,931	31,589,056	28,325,676	+3,263,380	24,844,131	21,699,164	+3,144,967	9,343,360	9,023,123	+320,237
St Louis Iron Mt & So	3,411	3,363	32,783,245	29,883,629	+2,899,616	23,439,885	20,860,506	+2,579,379	33,146	39,333	-6,187
Missouri Southern	66	66	154,822	162,941	-8,119	121,676	123,608	-1,932	def4,570	def25,629	+21,059
New Iberia & Northern	101	101	106,523	93,897	+12,626	111,093	119,526	-8,433	192,404	129,322	+63,082
New Ork Texas & Mex	278	286	1,637,820	1,475,591	+162,229	1,445,416	1,346,269	+99,147	116,515	45,377	+71,138
Beaumont S L & W	119	119	652,935	529,878	+123,057	536,420	484,501	+51,919	def12,535	15,657	+28,192
Orange & Northwest	62	62	147,094	170,536	-23,442	159,629	154,879	+4,750	733,179	602,493	+130,686
St L Brownsv & Mex	548	548	2,606,446	2,292,561	+313,885	1,873,267	1,690,068	+183,199			
Louisiana South-See											
Ouachita & Northwest	65	65	238,197	178,546	+59,651	216,419	199,258	+17,161	21,778	def20,712	+42,490
Paris & Mt Pleasant	51	51	129,521	116,131	+13,390	82,016	84,069	-2,053	47,505	32,062	+15,443
Prescott & Northwest	33	33	120,114	90,590	+29,524	93,237	73,753	+19,484	26,877	16,837	+10,040
Quannah Acme & Pacific	91	91	306,500	309,569	-3,069	166,196	146,735	+19,461	140,304	162,834	-22,530
Rio Gran & Eagle Pass	28	28	123,548	110,713	+12,835	83,127	84,388	-1,261	40,421	26,325	+14,096
Rio Grande Southern	180	180	562,622	555,899	+6,723	389,013	372,796	+16,217	173,609	183,103	-9,494
St Louis & San Fran	4,752	4,749	46,358,626	40,901,386	+5,457,240	30,811,370	27,858,045	+2,953,325	15,547,256	13,043,341	+2,503,915
Ft Worth & Rio Gran	235	235	844,965	821,573	+23,392	783,925	722,201	+61,724	61,040	99,372	-38,332
Paris & Great North	17	17	96,887	102,827	-5,940	137,491	120,291	+17,200	def40,604	def17,464	+23,140
St L S Fr & Texas	235	244	1,095,698	1,141,030	-45,332	1,028,874	1,124,787	-95,913	66,824	16,243	+50,581
St L Merch Bdge Term	9	9	2,245,527	1,813,408	+432,119	1,525,891	1,317,697	+208,194	719,636	495,711	+223,925
St Louis Southwestern	943	943	8,040,227	6,907,573	+1,132,654	4,624,543	4,557,848	+66,695	3,415,684	2,349,725	+1,065,959
St L S W Ry of Texas	810	810	4,184,222	3,720,283	+463,934	3,782,242	3,803,305	-21,063	401,980	def83,017	+484,997
St Louis Transfer	6	6	456,216	404,343	+51,873	374,456	342,867	+31,589	81,760	61,476	+20,284
San Ant & Aransas Pass	724	724	3,862,745	3,797,055	+65,690	3,404,594	3,620,005	-215,411	458,151	177,050	+281,101
San Ant Uvalde & Gulf	316	316	589,500	474,730	+114,770	479,492	449,594	+29,898	110,008	25,136	+84,872
Southern Pacific-See											
Arizona Eastern-See											
Galv Harrisb & S A	1,351	1,350	12,531,389	11,212,141	+1,319,248	9,315,071	9,251,989	+63,082	3,516,318	1,960,152	+1,556,166
Houston & Shrevep't	41	40	308,183	289,787	+18,396	197,074	184,189	+12,885	111,109	105,598	+5,511
Houston & Tex Cent	895	894	6,484,167	6,563,488	-79,321	4,665,365	5,182,223	-516,858	1,818,802	1,381,265	+437,537
Houston E & W Tex	191	191	1,486,214	1,361,858	+124,356	1,027,525	1,051,927	-24,402	458,689	309,931	+148,758
Lake Charles & North	72	72	264,387	225,648	+38,739	146,376	140,721	+5,655	118,011	84,927	+33,084
Louisiana Western	208	208	2,441,952	2,186,500	+255,452	1,529,422	1,536,754	-7,332	912,530	649,746	+262,784
Morg La & Tex RR & SS	405	405	4,546,868	4,376,736	+170,132	3,350,772	3,417,456	-66,684	1,196,096	959,280	+236,816
Texas & New Orleans	468	469	4,500,474	3,910,706	+589,768	3,480,228	3,527,658	-47,430	1,020,246	383,048	+637,198
Sugar Land	33	33	195,889	160,297	+35,592	89,812	68,404	+21,408	106,077	91,893	+14,184
Terin RR Agn of St L	37	37	3,123,588	2,687,884	+435,704	1,621,167	1,392,225	+228,942	1,502,421	1,295,659	+206,762
Texas & Pacific	1,944	1,944	19,156,856	17,944,638	+1,212,218	13,815,976	13,857,387	-41,411	5,340,880	4,087,251	+1,253,629
Texas City Terminal	6	6	172,916	179,150	-6,234	105,878	132,560	-26,682	67,038	46,590	+20,448
Texas Mexican	162	162	426,178	322,869	+103,309	282,193	252,697	+29,496	143,985	70,172	+73,813
Texas Midland	125	125	582,812	660,074	-77,262	472,595	464,924	+7,671	110,217	95,150	+15,067
Texas Okla & Eastern	24	24	257,644	277,647	-20,003	150,257	201,845	-51,588	107,387	75,802	+31,585
Texas Southeastern	87	45	141,944	124,447	+17,497	112,251	97,722	+14,529	29,693	26,725	+2,968
Tremont & Gulf	73	73	302,890	236,139	+66,751	182,448	163,009	+19,439	120,442	73,130	+47,312
Utah	68	68	421,588	275,013	+146,575	252,270	224,193	+28,077	169,318	50,820	+118,498
Vicks Shreve & Pacific	171	171	1,634,180	1,386,737	+247,443	1,199,275	1,251,600	-52,325	434,905	135,137	+299,768
Victoria Fisher & West	56	56	148,826	138,193	+10,633	138,551	146,260	-7,709	10,275	def8,067	+18,342
Weath Min W & N W	41	41	132,193	141,955	-9,762	103,083	91,526	+11,557	29,110	50,429	-21,319
<b>Total (87 roads)</b>	<b>58,468</b>	<b>58,324</b>	<b>526,701,079</b>	<b>479,253,217</b>	<b>+47,447,862</b>	<b>365,196,216</b>	<b>343,836,389</b>	<b>+21,359,827</b>	<b>161,504,863</b>	<b>135,416,828</b>	<b>+26,088,035</b>
<b>Group X.</b>											
Arizona & New Mexico	112	109	675,223	645,192	+30,031	380,920	350,152	+30,768	294,303	295,040	-737
Bellingham & Northern	69	64	203,258	197,716	+5,542	152,035	146,234	+5,801	51,223	51,482	-259
Bingham & Garfield	28	27	2,159,059	1,346,009	+813,050	732,283	561,113	+171,170	1,426,776	784,896	+641,880
Boca & Loyalton	19	45	28,040	46,895	-18,855	27,266	42,668	-15,402	774	4,227	-3,453
Bullfrog-Goldfield	87	87	142,516	126,596	+15,920	103,808	101,270	+2,538	38,708	25,326	+13,382
California Western	43	43	243,015	218,510	+24,505	111,307	146,985	-35,678	131,708	71,525	+60,183
El Paso & S W Co	1,027	1,027	10,671,627	7,788,736	+2,882,891	5,924,268	4,729,225	+1,195,043	4,747,359	3,059,511	+1,687,848
Gilmore & Pittsburgh	120	120	140,955	117,724	+23,231	117,787	93,713	+24,074	23,168	24,011	-843
Grand Canyon	64	64	1,002,963	412,166	+590,797	348,821	247,178	+101,643	654,142	164,988	+489,154
Las Vegas & Tonopah	119	119	142,108	134,959	+7,149	107,749	107,749	-41	34,400	27,108	+7,292
McCloud River RR Co	90	84	319,746	295,229	+24,517	243,560	237,790	+5,770	76,186	57,439	+18,747
Moreno Southern	18	18	77,055	82,636	-5,581	107,091	94,381	+12,710	def30,036	def11,745	+18,291
Nevada-Calif-Oregon	272	272	369,221	377,749	-8,528	304,063	367,559	-63,496	65,158	10,190	+54,968
Nevada Co Narrow Gau	22	22	144,194	131,042	+13,152	89,876	102,602	-12,726	54,318	28,440	+25,878
Nevada Northern	165	165	1,885,753	1,204,326	+681,427	791,916	691,935	+99,981	1,093,837	512,391	+581,446
Northwestern Pacific	507	401	4,319,598	3,568,701	+750,897	2,752,955	2,599,194	+153,761	1,566,643	969,507	+597,136
Ocean Shore	54	54	199,978	267,014	-67,036	230,732	288,882	-58,150	def30,754	def21,868	+8,886
Oregon Trunk	157	157	234,677	167,391	+67,286	167,985	152,063	+15,922	66,692	15,	



# AMERICAN BANKERS' CONVENTION—RESOLUTIONS ADOPTED.

We issue to-day our special edition, the American Bankers' Convention Section, reporting the proceedings of the annual convention of the American Bankers' Association held at Kansas City during the closing week of September. The Supplement appears in its usual complete form.

As far as the convention itself is concerned, several notable addresses contributed to make the occasion a memorable one. All of the papers, committee reports, and the detailed proceedings of the General Convention, as well as of the several Sections, are of course given in full in this special edition. The addresses of Paul M. Warburg, Frank A. Vanderlip, Joseph Chapman, Joseph Hirsch, W. P. G. Harding and Comptroller of the Currency John Skelton Williams, were among the noteworthy speeches delivered during the convention.

The convention was also marked by the adoption of several important resolutions. One of these provides for the appointment of a committee representing city and country bankers to co-operate with the committee on Federal Legislation of the American Bankers' Association in bringing about an amendment to Section 16 of the Federal Reserve Act, providing for the so-called par collection of checks. This matter was brought before the General Convention at the instance of the Country Bankers, whose meeting at Kansas City on Sept. 26 (entirely separate and distinct from the Bankers' Convention itself), had for its object action toward effecting a repeal or modification of the section in question. Nathan Adams, President of the Country Bankers, in indicating this at the Kansas City conference, stated that the Section, in his opinion, is objectionable to 75% of the membership of the Federal Reserve system. Mr. Adams added:

My own objection to Section 16 of the Federal Reserve Act is, I believe, that it will do more to disturb the continuity of credit between the country bankers of this country and the reserve cities, with which they have been in the habit of doing their business, than any one feature of the Act. Living in a Southern country which produces a cotton crop of 4,000,000 bales annually, and which at \$80 a bale needs \$320,000,000 to move, I believe that it is essential to the farmers, to the manufacturers and to the business men of this country that the continuity of relationship between the country correspondent and the terminal point shall be maintained.

I believe, furthermore, that the country banker who furnishes the credit and the brains to finance the farmers of this country, and the small merchants who buy merchandise, is entitled to some remuneration for the risk he takes in transmitting the money.

The resolution in the matter as presented to and adopted by the Country Bankers read as follows:

*Whereas*, The primary intent of the Federal Reserve Act was to prevent the suspension of cash payments by banks generally, especially in times of stress, and

*Whereas*, The free remittance for checks is not a necessary function toward the accomplishment of this object, and results in material losses to banks generally, and

*Whereas*, The collection of checks through Federal Reserve banks, Post Offices or express companies constitutes an invasion upon one of the legitimate functions of general banking, therefore, be it

*Resolved*, That the bankers of the country be urged to uphold the hands of the Hon. Claude Kitchin in his efforts before Congress to bring relief from the burden of compulsory par remittances. Be it further

*Resolved*, That this conference is in full accord with the underlying principle upon which the Federal Reserve Act is founded, but we hereby respectfully protest against any invasion of the legitimate functions of banking by the Federal Reserve banks as competitors of their stockholders as being unjust, undemocratic and subversive of the rights of American citizenship. Further be it

*Resolved*, That this conference endorse the work already accomplished by the Administrative Committee of the St. Louis Conference, and that they be authorized to continue their efforts—first, to secure relief for the banks through Congress, and in case of failure so to do, to ask for an interpretation of their rights in the courts. Further be it

*Resolved*, That a copy of these resolutions be presented to the American Bankers' Association with a recommendation for their adoption by the Association.

The resolution was presented to the General Convention in modified form and as passed by that body it reads as follows:

*Whereas*, The purposes of the Federal Reserve Act are to mobilize the reserves and to unify the national banking system, thereby providing an elastic currency and a system of re-discounts, and

*Whereas*, The Act has in it the possibilities of preventing the suspension of cash payments by banks, thereby making the country safe from currency panics, and

*Whereas*, Section 16 of said Act providing for the so-called par collection of checks is not a feature necessary to the attainment of the objects sought by the Federal Reserve Act, and the system of collecting checks now in operation under the law, as interpreted and applied by the Federal Reserve Board works serious hardships upon and heavy losses to thousands of country banks, and

*Whereas*, It is the belief of the majority of bankers that Congress did not intend to deprive the banks of legitimate profit, therefore

*Be it Resolved*, That the American Bankers' Association, while approving the fundamental principles of the Federal Reserve Act and expressing loyalty to the Federal Reserve system, protests against the provisions of the Act relating to the collection of checks, and instructs the Committee on Federal Legislation of the American Bankers' Association to endeavor to secure amendments to the Federal Reserve Act, providing for the

establishment of a collection system which is fair and equitable to all banks and to the general public.

*Be it Further Resolved*, That the President of the American Bankers' Association be authorized and directed to appoint a committee of twenty-five bankers, fifteen of whom shall be country bankers, and ten of whom shall be Reserve city bankers, and that this committee co-operate with the Committee on Federal Legislation of the American Bankers' Association in bringing about the enactment of the desired amendment.

In accordance with this resolution, P. W. Goebel, the newly elected President of the Association, has appointed a committee of twenty-five (fifteen country bankers and ten officials of banks in Reserve cities) to inquire into and report on the subject. This committee consists of the following:

Representing Country Banks—F. E. Lyford, President of the First National Bank, Waverly, N. Y.; Walker Broach, Vice-President of the First National Bank, Meridian, Miss.; J. D. Norwood, Cashier of the Commercial National Bank, Demopolis, Ala.; F. T. Hardwick, President of C. L. Hardwick & Co., Dalton, Ga.; A. F. Dawson, President of the First National Bank, Davenport, Iowa; B. C. Powell, Cashier of the Merchants & Planters Bank, Camden, Ark.; Fred Collins, Cashier of the Milan Banking Co., Milan, Tenn.; James B. Lambertson, Cashier of the Sioux Falls Savings Bank, Sioux Falls, S. D.; Harry M. Rubey, President of the Woods-Rubey National Bank, Golden, Colo.; M. J. Dowling, President of the Olivia State Bank, Olivia, Minn.; O. H. Wulfekuhler, President of the Wulfekuhler State Bank, Leavenworth, Kan.; C. A. McCloud, President of the First National Bank, York, Neb.; H. D. Marshall, Cashier of the Phoenix National Bank, Phoenix, Ariz.; W. P. Sharer, President of the First National Bank, Zanesville, Ohio; E. Kirby Smith, President of the Commercial National Bank, Shreveport, La.

Representing Reserve City Banks—Joseph Wayne Jr., President of the Girard National Bank, Philadelphia, Pa.; Geo. G. Moore, Cashier of the New England National Bank, Kansas City, Mo.; J. A. Lewis, Vice-President and Cashier of the National Bank of Commerce, in St. Louis, Mo.; W. T. Fenton, Vice-President of the National Bank of the Republic, Chicago, Ill.; W. H. Bucholz, Vice-President of the Omaha National Bank, Omaha, Neb.; W. D. Vincent, Vice-President of the Old National Bank, Spokane, Wash.; Joseph Chapman, Vice-President of the Northwestern National Bank, Minneapolis, Minn.; Thos. B. McAdams, Vice-President of the Merchants National Bank, Richmond, Va.; Raymond B. Cox, Vice-President of the Webster & Atlas National Bank, Boston, Mass.; Nathan Adams, Vice-President of the American Exchange National Bank, Dallas, Texas.

The country bankers also adopted the following resolution against branch banking, and referred it to the General Convention for action:

*Whereas*, Bill No. 15,734, in the House of Representatives, providing for branch banks in city and country and which was lately withdrawn, but we fear, will be again revived in some form, if passed, permits an entering wedge as a branch banking measure, which doubtless soon would blossom into a general branch banking bill and thus Canadianize and monopolize the banking business of the United States, and

*Whereas*, some fifteen years ago a few big city bankers attempted to commit the American Bankers' Association to a domestic branch banking scheme, which utterly failed, and

*Whereas*, Instead of its democratizing the banking business, the bill would tend toward substituting 100 or 200 great central banks with 25,000 to 30,000 tails to their big kites; thus destroying our independent banking system, which has done wonders in upbuilding this nation, therefore be it

*Resolved*, That the Country Bankers' Conference of the American Bankers' Association, in session assembled, respectfully enter a solemn protest, against Congress authorizing any domestic branch banking measure as it is clearly undemocratic, un-American and monopolistic in its whole tendencies, further

*Resolved*, That we respectfully ask Congress to repeal Section 5,154 of the United States Revised Statutes, which permits national banks to buy State banks with branches and retain them, further

*Resolved*, That in the few States in which branch banking is permitted and thereby independent banking is threatened, that we approve of a repeal of those Acts to the end that the menace of a dangerous monopoly be removed, and the independent banking system be preserved in all its usefulness.

*Resolved*, That each member of the Country Bankers' Conference use every honorable means to further these ends.

The general convention of the American Bankers' Association not only placed itself on record as opposed to branch banking in any form, but also adopted a resolution advocating the introduction of an amendment to the National Bank Act, which would prohibit national banks absorbing State banks with branches, "thereby accomplishing in an indirect method something that cannot be accomplished by a direct method."

The convention also approved a motion that the Association recede from the position taken by it at the Seattle convention, in which it recommended the adoption of what is now known as the Pomerene-McFadden Bill; pertaining to the readjustment of bank reserves, and that instead the Legislative Committee be instructed to secure a reduction in the required legal reserves of banks, country banks, from 12 to 10%, to be kept entirely in cash or in the Federal Reserve bank.

The National Bank Section adopted the following several resolutions:

(1) *Resolved*, That this National Bank Section of the American Bankers' Association ask through this resolution that all banks will please not encourage the public in printing on personal checks the words "Collectible at par through the Federal Reserve banks" until such time as the member banks may be able to obtain credit at par and for immediate use at the Federal Reserve banks of such items.

(2) *Resolved*, That inasmuch as the public and not the banks mutilate the currency of our country, by this resolution we ask that Congress will arrange that express charges on mutilated currency sent for redemption, and cost of returning new bills in place of those redeemed, be paid by the Government.

(3) *Resolved*, That Congress is hereby asked to pass a law making it an offense against the United States Government to burglarize either with or without explosives any national bank.



(4) Resolved, That a request be made of Congress for the passage immediately of a law providing for the retirement of greenbacks, and gradual retirement of the national bank notes.

The resolution below was referred to the Executive Committee:

Resolved, By this resolution, we ask Congress to so amend existing laws that national banks in towns of not over 3,000 people may class as reserve any kind of actual money as the banks may have on hand.

Atlantic City, N. J., was indorsed by the convention as the next meeting place of the Association, and the Executive Council subsequently approved the recommendation. The officers of the Association for the ensuing year are: P. W. Goebel of Kansas City, President; C. A. Hinsch of Cincinnati Vice-President; F. E. Farnsworth of New York, Secretary (re-elected) and E. M. Wing of La Crosse, Wis., Treasurer.

### DOMINION OF CANADA TO ISSUE DEBENTURE STOCK.

The Canadian Finance Department announces, according to reports, that it has created a new issue of Dominion 5% 3-year debenture stock maturing, Oct. 14 1919, with interest from the day of purchase, and payable by check free of exchange. This new issue, it is said, is intended to attract funds of investors who desire the same to be available for the war expenditures of the Dominion, and who may have money on hand from time to time in the intervals between war loans which they would like to invest safely and profitably. The stock may be purchased at par at any time, and will be accepted by the Government at par and accrued interest in lieu of cash payment of any allotment under future Canadian war loan issues. It is further stated that the issue is entirely distinct and separate from the war savings certificates of small denominations now under consideration for the promotion of national savings. An advertisement will appear shortly, it is said, giving further particulars.

### IVY L. LEE SHOWS THAT THE RECENT IMPROVEMENT IN EARNINGS DOES NOT SOLVE THE RAILROAD PROBLEM.

Ivy L. Lee, formerly Assistant to the President of the Pennsylvania RR., in addressing the National Paint, Oil & Varnish Association at its annual meeting at Atlantic City on the 12th inst., drew attention to the fact that as fulfilling a prediction of Louis D. Brandeis that the railroads could, if they would, save a million dollars a day, the earnings for the late fiscal year were almost exactly \$308,000,000 more than for the preceding year, or about \$1,000,000 increase for each business day of the year. The increased sum, however, in the banner year, he pointed out, represents a return of only 4.98% on \$5,400,000,000, which had been invested in the increased facilities which made possible the earning of this money. We give below in part Mr. Lee's remarks:

Mr. Brandeis has been a far better friend of the railroads than either he or they knew. When legal authorities were arbitrarily increasing railroad expenses and reducing their revenues, or refusing to increase their rates, Mr. Brandeis, in the race advance case of 1910, said and pointed out, methods whereby the railroads could, by instituting proper economies, save a million dollars a day.

That, of course, was a mere graphic estimate. But it is an astonishing fact—and more than a coincidence, that the railroad net operating income for the fiscal year ending June 30 1916, was almost exactly \$308,000,000 more than what it was for the preceding year, or about one million dollars increase for each business day in the year—the first year in which the railway plant had been utilized to capacity since Mr. Brandeis made his estimate.

The railroads have found that their capacity for handling traffic was greater than they had thought, and they have found it feasible to institute economies which they had considered impossible.

Marvelous improvements are being made in locomotive efficiency, especially through the use of the superheater. The Pennsylvania Railroad saved over 10% in its coal bill last year, and such are further improvements now considered possible that perhaps 50% of that company's coal bill may be saved within another year or two. Such a saving on the Pennsylvania Railroad alone would mean over \$5,000,000 a year, or 1% on the company's capital stock.

The 100-car freight train has now become common, and an improvement in the air-brake system is all that is necessary to make a train of 140 cars, or over a mile in length, with but one locomotive, entirely safe and practicable. This will mean further great economies.

But any comparisons of results are without value unless they take adequate account of the investment in capital which has made possible not only the economies in operation but the handling of so enormous a traffic.

Official data shows that for the eight years beginning June 30 1907, the railroads of this country invested in their property \$4,800,000,000. Assuming that during the past year a proportionate amount has been invested, it means that for the nine years ending June 30 1916 the sum of \$5,400,000,000 has been added to the railroad property investment of the United States.

During the year 1907, just before this enormous investment began to be made, the net income of the railroads was \$760,277,339.

For the year just ended, after this investment in property had been made, the net income was \$1,029,241,804, an increase of \$268,964,465.

This increased sum earned in the banner year just completed, represents a return of only 4.98% upon \$5,400,000,000 which had been invested in the increased facilities which made possible the earning of this money.

Such is the result in the year of greatest prosperity the railroads have ever known. Though economies will continue to be made, though the enterprise of the American railroad manager will continue to be manifest,

one cannot overlook the fact that such figures as the foregoing are and must be discouraging to the investor.

The meaning of this whole situation to the future of railroading is strikingly illustrated in an examination of reports of securities listed on the New York Stock Exchange since Jan. 1 1916. Since that date not a single dollar of new money for railroad investment in the United States has been raised through the issuance of stock, wherein the investor takes his chances and becomes a partner, rather than a creditor in the enterprise.

Some thirty-one million dollars in railroad stock have been issued for refunding defaulted bonds, and \$351,000 have been listed for stock, the dividend on which was guaranteed by a strong company.

For the period of 21 months since Jan. 1 1915, a total of \$1,132,497,470 of new railroad securities have been listed on the New York Stock Exchange, and out of that total only \$205,613,895 was new money. The rest was refunding of old securities. For the new work, only \$12,910,570 was obtained—and that in 1915—through the issuance of stock.

Yet, during the nine months since January 1 of this year, industrial stocks amounting to over \$403,000,000 were listed.

How can we wonder at this when so many industrial companies are earning from 20 to 100% on their money.

The railroads of this country cannot and will not stand still. New railroads must be built, and our commercial development must proceed. But if this country is to be saved from government ownership, it will be necessary for the people to determine to permit railroads to earn sufficient money to attract the private capital absolutely essential to the proper up-building of the nation's transportation system.

During many recent years, the railroads earned nothing whatever upon their increased investment, and such is the improved standard of railroad which is being demanded by modern conditions, that it is unlikely that, with the same amount of traffic, and in spite of the utmost economy and efficiency, the railroads will be able to continue the basis of net earnings of the past year.

The demand for the elimination of grade crossings alone—an item which adds practically nothing to railroad net earnings—will absorb an enormous amount of capital in the coming years.

It is estimated that it will cost \$660,000,000 to eliminate grade crossings in the State of New Jersey, and \$1,000,000,000 to eliminate those in the State of Pennsylvania. These are items which must come out of earnings, because they provide practically no return upon the capital invested.

The tendency to impose expenses upon railroads, without provision for meeting the expense, has not been checked. This was clearly indicated in the handling of the eight-hour day proposition in Washington recently the so-called Adamson Bill was passed, but the bill providing for possible increased revenues to pay the cost was shelved.

It is in order that the existing condition may be fully and adequately considered for the benefit of the nation as a whole, that the railroads urge the adoption of a unified system of regulation in place of the present system under which the railroads are subjected to the conflicting and disjointed rulings of the Federal Government and 48 separate States:

### STATEMENT OF IDLE CARS.

Car shortage is again a feature in affairs. From the first of September to the 30th of the month the net shortage has grown from 19,873 to 61,030. The total shortage on Sept. 30 is reported at 87,231, against 64,917 on the 1st ult. The total surplus in the same period decreased from 45,014 to 26,201. We give below the September statement of the American Railway Association issued this week.

#### THE AMERICAN RAILWAY ASSOCIATION.

New York, Oct. 11 1916.

The Committee on Relations between Railroads presents herewith statistical statement No. 21, giving a summary of freight car surpluses and shortages for Sept. 30 1916, with comparisons:

Total surpluses	Sept. 30 1916.....	26,201
	Sept. 1 1916.....	45,014
	Oct. 1 1915.....	88,341

The surplus for Sept. 1 1916 includes figures reported since the issue of statistical statement No. 20. The total surplus shows a general decrease since the report for Sept. 1 1916.

Total shortages	Sept. 30 1916.....	87,231
	Sept. 1 1916.....	64,917
	Oct. 1 1915.....	10,010

The shortage for Sept. 1 1916 includes figures reported since the issue of statistical statement No. 20. The increase in the car shortage is general in all classes of equipment throughout the country.

The figures by classes of cars follow:

Classes—	Surpluses.	Shortages
Box .....	12,863	45,879
Flat .....	1,687	3,655
Coal and gondola.....	5,640	25,512
Miscellaneous.....	4,811	7,448
Not classified.....	1,200	4,739

Total .....	26,201	87,231
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J. E. FAIRBANKS, General Secretary.

### SUPREME COURT IN SESSION

The Supreme Court convened on Oct. 9 in Washington for its fall term with an unusually large docket of important litigation before it. The interest in the opening of the Court was heightened by the initial appearance of Associate Justice John H. Clarke of Cleveland, formerly United States District Judge for the Northern Ohio District, who was appointed by President Wilson to fill the vacancy caused by the resignation of Justice Charles E. Hughes.

Associate Justice Louis D. Brandeis, who was appointed just before the Court's adjournment, was also present for the first time to take part in the proceedings and he was assigned a seat at the extreme right of Chief Justice White, while Justice Clarke was placed on the extreme left.

No decisions were handed down on the day of the Court's opening, the time being taken up in the hearing of motions to advance and petitions for writs of certiorari. More than 700 cases await disposition. About 200 have been filed since the Court adjourned last June. Of first importance among them



are the Government's suit against the so-called Harvester, Steel, Coal, Moving-Pictures, Kodak, Bill-Posters', Shoe Machinery and Great Lakes towboat "trusts."

#### HILL ESTATE INVENTORIED AT OVER \$52,000,000.

Louis W. Hill, administrator of the estate of his father, James J. Hill, in an inventory filed on October 5 in the Probate Court at St. Paul, Minn., valued the estate at more than \$52,000,000, exclusive of several parcels of real estate in the Northwest and properties held in other States. The inheritance tax in Minnesota is estimated at \$1,500,000, although an exact determination of the tax is impossible, until the appraisal is filed. The stocks and bonds are entered in the inventory at their par value; the market values are much larger and, it is said, because of this, the total estate will run several million more than indicated in the inventory. Mr. Hill's largest holdings of securities consisted of bank stocks, these totaling \$24,812,000. The largest of these are distributed as follows:

First Nat. Bank, St. Paul.....	\$2,205,000	Chase Nat. Bank, N. Y.....	125,000
Northwestern Secur. Co.....	2,414,000	Nat. Bank of Com., N. Y.....	\$100,000
Northwestern Trust Co.,		Illinois Tr. & Sav. Bk., Chic.	100,000
St. Paul.....	995,000	Stock Yards Nat. Bank,	
First Nat. Bank, N. Y.....	410,000	St. Paul.....	99,999
First Nat. Bank, Chicago.....	150,000	Third Nat. Bk., St. Louis.	25,000

The next item of importance in the inventory are railroad stocks, amounting to \$7,299,400, while railroad bonds aggregate \$7,164,000. Among the larger blocks of railroad stocks, \$5,200,000 consist of Great Northern preferred, \$1,150,000 Northern Pacific and \$517,700 Chicago Burlington & Quincy. Mr. Hill held \$13,000,000 of Great Northern refunding bonds, \$2,000,000 Eastern Railway of Minnesota bonds, \$2,250,000 Burlington general mortgages and \$800,000 Spokane & Inland Empire RR. pref. Cash on hand is given at \$4,449,348; notes at \$2,444,251, and real estate, subject to probate in St. Paul at \$1,500,000. Mr. Hill also held \$1,500,000 in Anglo-French bonds. In aid of industries and public institutions in the Northwest, Mr. Hill lent to manufacturers, mining companies and various schools, commercial associations and clubs, \$2,253,000, nearly \$1,000,000 being in open accounts. The art collection owned by Mr. Hill is valued at \$1,000,000 in the inventory.

As Mr. Hill left no will the estate will be divided under the Minnesota laws concerning inheritances. One-third of his estate will go to his widow and the remainder will be divided among his nine children.

Theodore A. Schulze, President of Foot, Schulze & Co., shoe manufacturers of St. Paul, and Major Thomas P. Wilson, formerly receiver of the Union Pacific RR., have been appointed appraisers of the estate by Probate Judge E. W. Bazille.

#### MR. WILSON SAYS AMERICA EXISTS TO VINDICATE RIGHTS OF MAN NOT RIGHTS OF PROPERTY.

In an address at Omaha on October 5, President Wilson took for his theme the part which America is now playing in the world and the part she must play in the future. He spoke in a lofty tone and declared that America exists to vindicate the rights of man, not the rights of property. We quote as follows:

Until 1890 between us and the Pacific there were empty spaces. There were lines that represented a frontier, and the process, the tidal process of American history, had not ceased. But the census-takers of 1890 reported that they could not any longer draw any frontier within the United States. And since then what has been going on has not been the extensive processes that preceded, but the intensive processes, drawing their life together in some places in very hot contact, creating the heat and hurry and excitement of our cities, spreading our populations more and more over the quiet agricultural spaces, going boweling into the earth where the great mountains lifted themselves over the mineral resources of the Far West. And from that time to this America has taken on a new aspect.

It is not by accident, I take it, my fellow-citizens, that only eight years elapsed before we got into the politics of the world. It was in 1898, you remember, that the Spanish war came. It was as if America in some rough-and-ready sort completed this international process and now looked with pity upon other peoples near at hand less fortunate than themselves; looked with pity upon the conditions of men struggling for some kind and part of the light of liberty in the neighboring island of Cuba; interested themselves in affairs which heretofore they had taken no heed of.

And then the Spanish war startled us by its consequences. We had, as it were, touched a house of cards, and it had collapsed, and when the war was over we found the guardianship of Cuba, the possession of Porto Rico, the possession of the Philippines in our hands. And that frontier which no man could draw upon this continent in 1890 had been flung across the sea 7,000 miles to the untrodden forests of some part of the Philippine Islands. Ever since then we have been caught inevitably in the net of the politics of the world.

So that what I want to present to you to-night, my friends, is the picture, so far as I can, of your present and future day as Americans. It is not an

easy thing to do. No man can speak with confidence upon so great a theme as that. You can only see here and there an obvious aspect of it, but it is very important that we should realize that the things that used to go on in Nebraska have to go on in a new way for a new purpose. Nebraska was once, as I have phrased it, the melting-pot in which the various elements of America were fused together for the purpose of American life. Now it is our great duty to fuse the elements of America together for the purpose of the life of the world.

It would be unreasonable to expect that some of the intensity of that process would centre in communities like this—inevitably because of geographical reasons, if for no other. These great central plains and valleys of the continent are unlike the States of either coast. On the Pacific influences are at work, which constantly remind the people of that coast region of the confused and perplexed politics of the Orient. Men are aware there of what is going on in the Far East, and every breath that blows off the Pacific seems to bring them rumors of some subtle influence in politics about which they ask many questions and conjecture many answers.

On the Eastern Coast there is felt more vividly, I dare say than you feel them, the influence of the old world of Europe—not as old as the world of the Orient, but more nearly akin to us, easier to understand, more influential upon our life, because out of the peoples of Europe we ourselves were drawn. Not a single stock of Europe has failed to contribute to the variety of America, and out of this varied stock we have to compound something that is now part of Europe and is only a part and is an intensified part of America which we love.

We had a program for America in respect to its domestic life, and we shall not forget that program, but we have never yet sufficiently formulated our program for America with regard to the part she is going to play in the world, and it is imperative that she should formulate it at once. But, in order to carry out a program, you must have a unification of spirit and purpose in America which no influence can invade.

There is no use having a program unless you have a concerted and united force behind the program, and you can reverse the proposition and say that you cannot have a program until you have got a unified force, because only such a force can conceive a self-consistent program.

In making that program what are we to say to ourselves? And what are we to say to the world? It is very important that the statesmen of other parts of the world should understand America. America has held off from the present conflict with which the rest of the world is ablaze, not because she was not interested, not because she was indifferent, but because the part she wanted to play was a different part from that.

The singularity of the present war is that its origin and objects never have been disclosed. They have obscure European roots which we do not know how to trace. So great a conflagration could not have broken out if the tinder had not been there, and the spark in danger of falling at any time. We were not the tinder. The spark did not come from us. It will take the long inquiry of history to explain this war.

But Europe ought not to misunderstand us. We are holding off, not because we do not feel concerned, but because when we exert the force of this nation we want to know what we are exerting it for. You know that we have always remembered and revered the advice of the great Washington, who advised us to avoid foreign entanglements. By that I understand him to mean avoid being entangled in the ambitions and the national purposes of other nations.

It does not mean—if I may be permitted to venture an interpretation of the meaning of that great man—that we are to avoid the entanglements of the world, for we are part of the world, and nothing that concerns the whole world can be indifferent to us. We want always to hold the force of America to fight for what? Not merely for the rights of property or of national ambition, but for the rights of mankind.

Nothing that concerns humanity, nothing that concerns the essential rights of mankind, can be foreign or indifferent to us. But in fighting for these things, my fellow-citizens, we ought to have a touchstone. We want to have a test. We ought to know, whenever we act, what the purpose is, where the ultimate goal is.

Now, the touchstone is this: On our part absolute singleness of heart and purpose in our allegiance to America, and then a justification of that allegiance to America by holding the doctrine that is truly American, that the States of America were set up to vindicate the rights of man and not the rights of property or the rights of self-aggrandizement and aggression. Property we have found to be the indispensable foundation of stable institutions, but the rights of humanity are the essence of free institutions, and nothing can take precedence of them.

So that when we look forward to the years to come—I wish I could say the months to come—to the end of this war, we want all the world to know that we are ready to lend our force without stint to the preservation of peace in the interest of mankind. The world is no longer divided into little circles of interest. The world no longer consists of neighborhoods. The world is linked together in a common life and interest such as humanity never saw before, and the starting of wars can never again be a private and individual matter for the nations.

What disturbs the life of the whole world is the concern of the whole world, and it is our duty to lend the full force of this nation, moral and physical, to a league of nations which shall see to it that nobody disturbs the peace of the world without submitting his case first to the opinion of mankind.

When you are asked, "Are you willing to fight"? reply, yes, you are waiting for something worth fighting for; you are not looking about for petty quarrels, but you are looking about for that sort of quarrel within whose intricacies are written all the texts of the rights of man, you are looking for some cause which will elevate your spirit, no depress it, some cause in which it seems a glory to shed human blood, if it be necessary, so that all the common compacts of liberty may be sealed with the blood of free men.

Every man has to die. It is done only once, being a single and distinguished act, ought to be done for a single and distinguished purpose. It ought to be thrilled through with the purpose of life, so that, as a man lived and loved, so he may die, striving for the things which put all the corpuscles of his blood into shouting shape whenever great things were proposed.

You see, therefore, I think, what the thrill of suggestion in the memories of Nebraska is for me when I think of this nation as a whole. It has been necessary for nearly four years past, my fellow-citizens, for me to think of America as a whole, not to think of any special interests, not to think of any special position, not to think of any special sympathy, merely to try to conceive in my own heart what the America that you and I love is, what it has been, and what it ought to be; and to try to guide the counsels of this nation so that men may see afterward stamped upon the conduct of that time some guiding principle, some ruling passion of the mind, some persistent conception of what America stands for, so that along the horizon under the dark, murky clouds of doubt that have shadowed our time there may appear a gleaming, clear light of a day that is going to dawn when the liberties of mankind shall have behind them the united force and affection of all the people of the world.



**PRESIDENT WILSON CLAIMS THAT LEGISLATION  
HAS BROKEN BARRIERS IN AMERICA'S  
TRADE DEVELOPMENT.**

President Wilson, in an address delivered in Omaha on the 5th inst. in celebration of the fiftieth anniversary of the Statehood of Nebraska, pictured the service which the European war is going to do to us in America, and stated "that it is going to oblige every man to know that he lives in a new age, and that he has got to act, not according to the traditions of the past, but according to the necessities of the present and the prophecies of the future." He essayed "that we are at last waking up to the fact that the world has need of the wealth that we possess, and that therefore the real business of legislation is to release these forces and to see to it that impediments new or old shall not be placed in the way." Referring to the anti-trust laws, the Act creating the Federal Trade Commission, &c., as unshackling business, he declared his pride in having "co-operated with groups of enlightened men in seeing to it that the barriers were broken down and the road made free and the rules of the game made fair to everybody." We give the following extract from his remarks:

One of the pleasures of coming into Western country is that so many things get started here, so many things by way of energy and initiative originate here. There was an advantage in those old days when there were no railroads. You were not then under the paternal oversight of the East. Small groups of gentlemen who considered themselves able to comprehend more than the Almighty has permitted any man to comprehend were not then endeavoring to run your affairs along with their own. And the railroads perhaps have not done you as great a spiritual service as they have material service. They have kept you in communications which you did not stand in need of, for you knew how to take care of yourselves.

I have thought very often how useful it was sometimes to make new beginnings, to break old connections and long-standing traditions in order to meet the new conditions and new circumstances and new times. I have been a student of history all my life, but I have noticed that the movements of history occur when the shackles of the past are shaken off; that if you wish to be delayed in your development you will always be going with your head over your shoulder, reminding yourselves of how the thing was done, and hampering yourselves with methods which ought long ago to have been shaken off.

There are many circumstances that make one feel that the present state of the world is beyond measure tragical. And yet, my fellow-countrymen, I believe that this great catastrophe which has fallen upon the world in the shape of war is going to do us in America, at any rate, a great service. It is going to oblige every man to know that he lives in a new age, and that he has got to act, not according to the traditions of the past, but according to the necessities of the present and the prophecies of the future.

America up to the present time has been, as if by deliberate choice, confined and provincial, and it will be impossible for her to remain confined and provincial. Henceforth she belongs to the world and must act as part of the world, and all of the attitudes of America will henceforth be altered.

You know, what interests me as the most dramatic thing that ever happened in history was the discovery of America, not because it was the discovery of America, but because until America was discovered all eyes in Europe were turned to the East. England was then at the back of civilization. Behind her were the unknown spaces of the Atlantic. All the world lived to the eastward.

In Europe all the trade routes of the world worked their ways down toward the East. And then, all of a sudden, with the discovery of America, the world was turned on its pivot, and Great Britain was at the front of the world, all the tides being shut off by the fortunate circumstances—fortunate at the time—of the capture of Constantinople by the Turks. The cutting off of the eastern routes forced the world to look westward, to move westward, to set her tides in another direction, and it was then that America was born. Her birth marked a new world, with a new tide, a new direction, a new impulse, and a new future.

Ever since I was a lad I have found myself puzzled by the circumstances that America concentrated her plans so much upon herself and extended them so little to the large world. This has particularly struck me and must strike every student of our affairs in respect to our commercial policy. Only in very recent years have American merchants and American manufacturers studied the markets of the world. They have talked, their public men have preached about their domestic markets and the sacredness of those domestic markets—apparently the necessity of always eating our own victuals and living on those markets; and until very recently the national banking system was not supplied with the instrumentalities of handling foreign exchange. Branches of banks out of other countries, notably out of Canada, had to come down and establish themselves in New York and San Francisco and elsewhere to handle foreign exchange. Nowhere in the National Banking Act could you find any provision for the establishment of branch banks abroad.

With what we boasted and believed—what I believe—to be the best business genius in the world, we had not even thought of using that genius outside of our own markets. We cannot do that any longer. We have got for a certain period at any rate to finance some of the chief undertakings of the world for ourselves and for others. The resources of the world by recent processes have, as it were, been poured in upon us.

The extraordinary circumstances that for the next decade, at any rate—after that it will be a matter of our own choice whether it continues or not—but for the next decade, at any rate, we have got to serve the world. That alters every commercial question, it alters every political question, it alters every question of domestic development. The men who insist upon going on to do the old things in the old way are going to be at the tail-end of the procession.

The sign of our destiny has at last become as wide as the horizon. And the thing that we have to be careful about is that we do this thing in a new way. It has hitherto been done by those who wanted to exploit the world. It has got to be done now in a way that will deserve the confidence of the world.

American character, as well as American enterprise, is going to be put to the test. American ideals are for the first time to be exhibited upon a world-wide scale, American purposes are going to be tested by the purposes of mankind, and not by the purposes of national ambition.

I say that it is a pity not to be young in these days. Bliss it is in these days for an American to be alive, and to be young must be very heaven,

because all the destiny into whose great fruitions America has promised to lead the world is now open to be achieved under her leadership if she will see and take the way.

All of this, gentlemen, is in the abstract, but in the concrete it means a very interesting variety of things, and I want you to know that it ought not, that it does not, in my conception, make any difference who does these things, provided you see to it that they are done. But America will never forgive herself if she doesn't do them. And I want you to believe me when I say that certain things that have recently been accomplished by legislation have been accomplished with these ideals and purposes in mind.

Sometimes we deceive ourselves by thinking that the commerce of recent years has chiefly consisted in exports stimulated by the war. It will be worth your while to look into the figures. Our exports have been about in this proportion: An increase in exports during these years of some two thousand millions, expressed in dollars, and an increase of the national wealth of forty-one thousand millions—twenty times the increase of our exports.

Can an increase in our exports of two thousand millions produce so stupendous an effect as to multiply itself twenty times in our national wealth? The truth is that the world has poured its wealth upon us by the reason that we are at last waking up to the fact that the world has need of the wealth that we possess, and that, therefore, the real business of legislation is to release these forces and to see to it that impediments new or old shall not be placed in the way. That is the reason that it has been the studious endeavor of recent years to see to it that business men got rid of the belief which some of them had that the law was intended to restrain them and not intended to serve them.

Take the anti-trust laws, for example. Until very recently, I venture to say, most American business men spoke of the anti-trust laws with a curse under their breath—just as men think of shackles, just as men think of being deprived of opportunity. And we heard a great deal of talk about big business getting no sympathy; but bad business ought not to have had any sympathy, and what our laws stood in need of was the definition of what was good and what was bad. What they stood in need of was a distinct expression of the idea that was back of them.

That idea was merely this: Unfair competition is intolerable. But if the competition is fair the scale upon which it is carried on is not only of no concern to the lawmakers but the bigger the scale the more splendid the result—always provided it is conducted with fairness and honor and openness. Therefore, an attempt was very properly made to define what was fair and what was unfair competition; to provide tribunals which would distinctly determine what was fair and what was unfair competition, and to supply the business community not merely with lawyers in the Department of Justice who would cry "Stop," but with men in such tribunals as the Federal Trade Commission who would say "Go on," who could warn where things were going wrong, and assist instead of check.

Some of these days, gentlemen, when the great tides of business are running free in this country, you will look back upon the last three years and say "that was when the channels were dug for this great time," as compared with the verdict of the next twenty-five years. I do not care a peppercorn about the verdict of 1916, because I know how those laws were conceived. I know their purpose and I know they are already serving their purpose, and I call you to witness that never before in your lifetime was credit so individually available in this country as at this time. Individual credit—not cornered credit—credit that could be had if you had assets and good commercial paper; credit that could be had without favor; credit to which the volume of currency would instantly respond; credit which could be sustained by resources, by gold reserves which could be mobilized anywhere in the country.

America is to be congratulated upon having achieved a business emancipation. Now it is up to you men and it is up to all business men in the United States to make something of it, and if it cannot be made something of in this part of the country, in parts of the country where, like this, men have been accustomed to taking care of themselves, have been accustomed to planting States and cities, and making communities tell with all the force of their intelligence, it cannot be done anywhere. You are less trammelled in this part of the country than business men anywhere else, and it should be your pride and your distinction that the future will realize as it never realized before the genius of American initiative.

America has been following examples so long, America has been imitating the way other people did things so long; whereas America has a store of original genius such as could accomplish any achievement that the human mind can conceive. So I, for my part, am proud to have co-operated with groups of enlightened men in seeing to it that the barriers were broken down and the road made free and the rules of the game made fair to everybody.

**SUBMARINE ACTIVITY OFF UNITED STATES COAST.**

The submarine issue was once more brought to the foreground this week with the news of the destruction, off the United States coast, of five steamers, the German submarine U-53, which arrived at Newport, R. I., on Saturday last, the 7th inst. at 2 p. m., having it is supposed played a part in this activity. The submersible departed three hours after its arrival at Newport, after the commanding officer, Lieut. Hans Rose, had paid his respects to the ranking U. S. Naval Officer at Newport, Rear Admiral Austin M. Knight, and had left a letter for the German Ambassador, Count von Bernstorff. Besides the commander, the vessel carried four officers and thirty-three men. Commander Rose explained that the submarine, which is a regular war vessel and equipped with wireless, had put in at Newport only to deliver official mail for the Ambassador. He declined to say whether he had been ordered to American waters to search for the German merchant submarine Bremen, long overdue on this side. The U-53 flew the German Naval ensign and carried mounted guns on her deck. She left Wilhelmshaven seventeen days before her arrival at Newport. News of the sinking of the vessels off the Eastern coast of the United States came from Boston on the following day, the 8th. First reports stated that four British and two neutral steamers, one Norwegian and one Dutch, were the victims of the submarine. Later it appeared that only five vessels had been sunk. The dispatches reported the following as the victims of the new submarine warfare:



The Strathdene, British freighter; torpedoed and sunk off Nantucket; crew taken aboard Nantucket Shoals lightship and later removed to Newport by torpedo boat destroyers. Vessel left New York on the 7th for Bordeaux, and was attacked at 6 a. m. The West Point, British freighter; torpedoed and sunk off Nantucket; crew abandoned the ship in small boats after a warning shot from the submarine's gun. Officers and men were taken aboard a destroyer. Vessel was attacked at 10:45 a. m. She was bound from London for Newport News. The Stephano, British passenger liner, plying regularly between New York, Halifax and St. John's, N. F., torpedoed southeast of Nantucket while bound for New York. Reported sunk at 10:05 o'clock p. m. on the 8th. Passengers and crew, numbering 158, were picked up by destroyers Balch, Drayton and Jenkins and taken to Newport. The attack was at 4:30 p. m. The Bloomersdijk, Dutch freighter; torpedoed and sunk south of Nantucket. Crew taken aboard a destroyer. The steamer was bound from New York for Rotterdam, having sailed on the 7th. The Christian Knudsen, Norwegian freighter; torpedoed and sunk near where the Bloomersdijk went down; crew picked up by destroyer. The vessel sailed from New York on the 7th for London.

Early statements had it that the British freighter Kingston had also been sunk, but reports from Boston on the 12th stated that the Kingston, or Kingstonian, was safe in port, word to that effect having been received by the Boston manager of the Leyland Line, owner of the vessel. Coincident with the advices concerning the destruction of the above vessels, it was reported that the American steamer Kansan, bound for Genoa from New York, with steel for the Italian Government, had been held up by a submarine, but later, with the establishment of her identity, had been allowed to proceed. No statement relative to the submarine attacks came from Washington until Monday the 9th, when President Wilson issued the following announcement through Secretary Tumulty:

The Government will of course first inform itself as to all the facts that there may be no doubt or mistake as far as they are concerned. The country may rest assured that the German Government will be held to the complete fulfillment of its promises to the Government of the United States. I have no right now to question its willingness to fulfill them.

The submarine activities were the subject of discussion on Monday, between the President and Count von Bernstorff. It is stated that the latter, while indicating that he lacked official information from his Government regarding the attacks, is said to have stated that Germany would "live up to her promises." On Tuesday Secretary of State Lansing was in conference with the President relative to the submarine issue. It was indicated by Administration officials on that day, that the facts which had been collected up to that time through Governmental agencies disclosed no grounds for drastic action by the United States, because of the attacks themselves—no evidence having been found that international law had been violated by the German submarine or submarines. It was understood, however, that the President and Secretary Lansing discussed the wisdom of pointing out to Germany the inadvisability of operating her submarines in close proximity to the territorial waters of the United States. Secretary Lansing on Tuesday made public the answer of the United States, dated August 31, to the memorandum of the Allies contending that submarines of belligerents be excluded from neutral waters. In this note, the Government of the United States sets out that it "reserves its liberty of action in all respects and will treat such vessels as in its opinion becomes the action of a power which may be said to have taken the first steps toward establishing the principles of neutrality." We give the text of the note below:

Washington, August 31 1916.

The Government of the United States has received the identic memoranda of the Governments of France, Great Britain, Russia and Japan, in which neutral governments are exhorted "to take efficacious measures tending to prevent belligerent submarines, regardless of their use, to avail themselves of neutral waters, roadsteads and harbors." These governments point out the facility possessed by such craft to avoid supervision or surveillance or determination of their national character and their power "to do injury that is inherent in their very nature," as well as the "additional facilities" afforded by having at their disposal places where they can rest and replenish their supplies.

Apparently on these grounds, the Allied Governments hold that "submarine vessels must be excluded from the benefit of the rules heretofore accepted under international law regarding the admission and sojourn of war, and merchant vessels in neutral waters, roadsteads or harbors, any submarine of a belligerent that once enters a neutral harbor must be held there," and therefore, the Allied Governments "warn neutral powers of the great danger to neutral submarines attending the navigation of waters visited by the submarines of belligerents."

In reply the Government of the United States must express its surprise that there appears to be an endeavor of the Allied Powers to determine the rule of action governing what they regard as a "novel situation" in respect to the use of submarines in time of war and to enforce acceptance of that rule, at least in part, by warning neutral powers of the great danger to their submarines in waters that may be visited by belligerent submarines.

In the opinion of the Government of the United States the Allied Powers have not set forth any circumstances, nor is the Government of the United States at present aware of any circumstances concerning the use of war or merchant submarines which would render the existing rules of international law inapplicable to them.

In view of this fact and of the notice and warning of the Allied Powers announced in their memoranda under acknowledgment it is incumbent upon the Government of the United States to notify the Governments of France, Great Britain, Russia and Japan that, so far as the treatment of either war or merchant submarines in American waters is concerned, the Government of the United States reserves its liberty of action in all respects

and will treat such vessels as, in its opinion, becomes the action of a power which may be said to have taken the first steps toward establishing the principles of neutrality and which for over a century has maintained those principles in the traditional spirit and with the high sense of impartiality in which they were conceived.

In order, however, that there should be no misunderstanding as to the attitude of the United States, the Government of the United States announces to the Allied Powers that it holds it to be the duty of belligerent powers to distinguish between submarines of neutral and belligerent nationality, and that responsibility for any conflict that may arise between belligerent warships and neutral submarines on account of the neglect of a belligerent to so distinguish between these classes of submarines must rest entirely upon the negligent power.

LANSING.

The text of the memorandum, to which the above was a reply, and which had not heretofore been made public, was given out on the 9th as follows:

In view of the development of submarine navigation and by reason of acts which in the present circumstances may be unfortunately expected from enemy submarines, the Allied Governments consider it necessary, in order not only to safeguard their belligerent rights and liberty of commercial navigation, but to avoid risks of dispute, to urge neutral governments to take effective measures, if they have not already done so, with a view to preventing belligerent submarine vessels, whatever the purpose to which they are put, from making use of neutral waters, roadsteads and ports.

In the case of submarine vessels the application of the principles of the law of nations is affected by special and novel conditions: First, by the fact that these vessels can navigate and remain at sea submerged and can thus escape all control and observation; second, by the fact that it is impossible to identify them and establish their national character, whether neutral or belligerent, combatant or non-combatant, and to remove the capacity for harm inherent in the nature of such vessels.

It may further be said that any place which provides a submarine warship far from its base with an opportunity for rest and replenishment of its supplies, thereby furnishes such addition to its powers that the place becomes in fact, through the advantages which it gives, a base of naval operations.

In view of the state of affairs thus existing, the Allied Governments are of the opinion that submarine vessels should be excluded from the benefit of the rules hitherto recognized by the law of nations regarding the admission of vessels of war, or merchant vessels into neutral waters, roadsteads or ports and their sojourn in them. Any belligerent submarine entering a neutral port should be detained there.

The Allied Governments take this opportunity to point out to the neutral powers the grave danger incurred by neutral submarines in the navigation of regions frequented by belligerent submarines.

On Wednesday, as a result of the conferences between President Wilson and Secretary Lansing, it was stated authoritatively that no evidence of the breaking of German promises to the United States was discovered in connection with the submarine activities off the American coast last Sunday, but that the American Government would continue its investigations and watch closely any repetition of the attacks. It was further authoritatively stated on the 12th, that should the situation develop prolonged paralysis of American trade in the Atlantic, or any similar injury to vital American interests, a broad issue might be raised transcending the specific questions of international law discussed in connection with the U-boat raid. Such considerations as the dislocation of shipping along the Atlantic seaboard, the great increase in marine insurance rates, and the possibility of serious freight congestion and railroad embargoes have been foremost in the minds of officials, it was indicated, and will determine largely the Government's policy if an extensive submarine campaign is attempted on this side of the Atlantic.

It is announced that torpedo-boat destroyers, charged with the double duty of enforcing neutrality observance and saving lives in the event of further submarine raids on shipping off the United States coast, were put into service yesterday from Bar Harbor, Me., to New York. Official authority for the statement that such a patrol had been ordered by the Navy Department was obtained at Newport.

#### A CONGRESSMAN'S STAND ON THE EIGHT-HOUR BILL.

Frederick W. Rowe, Member of the House of Representatives from the Sixth New York District (Brooklyn), has sent to each one of his constituents the following letter explaining his stand on the Eight-Hour Bill:

Washington, D. C., Sept. 20 1916.

My Dear Sir.—So many of my neighbors have recently expressed uncertainty as to how I voted on the so-called Eight-Hour Bill, that I have determined to send to each of my constituents a brief letter, so there may be no misunderstanding of my position.

First.—The Adamson Bill does not establish an eight-hour day as the time a man shall work, but gives to each man for eight hours' labor the pay he formerly received for ten hours' labor.

Second.—Congress knows little or nothing about the management of the railroads and had no time to investigate this matter so it could not intelligently legislate on the subject.

Third.—This was a dispute between labor and capital as to the proper wages to be paid and should have been settled by arbitration and not by Congress.

Fourth.—This bill increases the wages of 400,000 men, between \$60,000,000 and \$100,000,000 per annum and the consumers principally in the cities must pay this enormous sum, not to raise the wages of men poorly paid, but to raise the wages of the "best paid mechanics" in this country.

Fifth.—I am not in favor of legislating in the dark or under threat of any organization, either of capital or labor, and Congress was told that if the Adamson Bill, introduced on Thursday, was not passed Saturday night by



both Houses of Congress, all the railroads of the country would be tied up on Monday morning. Under these circumstances more than a majority voted for this bill. I voted against the measure and I have no apologies to make for so doing.

#### ADVANCE IN MARINE INSURANCE RATES AS A RESULT OF GERMAN SUBMARINE ATTACKS.

One development of the submarine operations of last Sunday, to which further reference is had elsewhere in today's issue of our paper, was a marked advance in the marine insurance rates in the United States. The New York "Times" of Tuesday printed the following in the matter, in its issue of Tuesday Oct. 10:

Marine insurance rates, not only to European, but to Far Eastern ports went up from 100 to 500% yesterday as a result of the German submarine raids on mercantile vessels off the coast of Nantucket.

The advance of 500% was for vessels of belligerent countries bound for English, French, and Dutch ports. The rate on Saturday ranged from  $\frac{3}{4}$  to 1%, the latter being the average. It is now 5% on ordinary risks. To South America and the British West Indies, where rates had been  $\frac{1}{4}$  of 1%, the risk jumped to 3%. Cargoes to Greece will pay a 10% rate, a rise of 300%, as the former figures were 3 to 4%. To Italian ports the rate has only gone up from 4 to 7 $\frac{1}{2}$ %. To Far Eastern ports by way of the Suez Canal there has been 100% advance, the new premium rate being 8 instead of 4%, while to Russian ports by way of the Panama Canal the rate has advanced to 3% from the former nominal  $\frac{1}{4}$  to  $\frac{1}{2}$ %.

These rates indicated that for a time at least the marine insurance market was in a demoralized condition. While the leading brokers would not admit the situation was so bad as that, they were agreed that greater uncertainty had been caused by the presence of German submarines off the coast of America than had existed before since the early days of the war. At that time, when the underwriting of marine risks was in a chaotic condition, the rates ran up as high as 20% to European ports.

Never before have the prevailing marine rates to all parts of the world reached so high a figure as at present. The last previous big advance was when the news of the raider Mowe was brought to this country last February. In some cases the rate then jumped to 5%, but the general advance was only to 3.

It was reported early yesterday that one agency had written a policy for 10% and in another case a 7% premium was paid for a vessel sailing for England.

One unusual case was the payment of a 70% rate quoted by Chubb & Sons, marine insurance brokers, of 5 South William Street. It was paid by the owner of a cargo which left this port on Saturday carrying no insurance. The vessel is supposed to be directly in the zone of the German submarine activity, and the owner admitted to the brokers that he had heard nothing of the vessel since the sailing.

Many of the large firms declined to quote any rates early in the day. Conditions were settled after the meeting of the American Institute of Marine Underwriters at noon, when the rates quoted heretofore were suggested as the minimum rates for marine risks. The tendency upward was held in the case of American-owned boats also, where an advance of from one-half of 1% to 1% was made.

Herbert Appleton, President of the American Institute of Marine Underwriters and representing the United States Lloyd's, said that the action of the body was by no means binding on the marine insurance agents.

"As a matter of fact," added Mr. Appleton, "the former rates have generally been too low, and there should have been some advance even if this latest submarine raid had not broken out."

Cecil P. Stewart, President of the marine insurance firm of Frank B. Hall & Co., 26 Exchange Place, said:

"I believe that some of our former rates have been too low. While the rate from London to Greece and distant parts of the Mediterranean has been 5 and 6%, our brokers have been asking but 3 and 4. To Far Eastern ports by the Suez Canal the London rate has been 5%, and here it was only 4. The present advance in those cases to 10 and 8%, respectively, is due to the natural fear that Germany has apparently embarked on another period of active submarine warfare."

A decline in the war-risk insurance rates has since been witnessed, the drop in some instances, it was reported yesterday, amounting to 50% as compared with the rates quoted on Monday. Yesterday's quotations were from 2% to 2 $\frac{1}{2}$ % for transatlantic risks and 1% to South America, compared with Monday's rates, which ranged upward from 5% transatlantic and 3% South America and Panama. It is stated that instead of placing all insurance risks at Wednesday's rates shippers held back and are now rushing in a large volume of business at the lower rates. Confirmed cable reports from London show transatlantic rates down from 2% to 1%.

It was announced on the 10th that the war-risk insurance rates of the Federal War Risk Insurance Bureau would not be raised on account of the submarine raids. This announcement came from Director De Lanoy of the Bureau. The Bureau insures only American ships and cargoes, and in no instance takes risks no contraband. Mr. De Lanoy said he saw no reason to advance rates, in view of this fact.

In London on the 10th it was stated that much uncertainty existed in insurance circles regarding quotations on transatlantic voyages. Some underwriters had on that date raised the rate on cargoes to 40 shillings per cent, as against the Government rate of one guinea, but it was stated that there was no consensus of opinion in underwriting circles whether the risk warranted any further abnormal advance in the quotations. The same rate of uncertainty was apparent regarding insurance on securities, the rates varying from 10 to 30 shillings, according to the class of security and to the steamship on which they are shipped.

#### DIVIDEND DECLARATIONS OF THE DALLAS AND SAN FRANCISCO RESERVE BANKS.

Concerning the recent dividend declaration of the Dallas Federal Reserve Bank (which we referred to in these columns Sept. 23), and that of the Federal Reserve Bank of San Francisco, the Federal Reserve "Bulletin" for October says:

A dividend was declared by the Federal Reserve Bank of Dallas on Sept. 15, with the approval of the Federal Reserve Board, the payment completing the full 6% to Dec. 31 1915. The Federal Reserve Bank of San Francisco, after charging off all expenses of organization, furniture and equipment, paid on Sept. 20 a dividend of 6% to Jan. 1 1916. The rule has now been adopted by the Board that books of the Federal Reserve Banks shall hereafter be closed and dividends credited on June 30 or Dec. 31, or both.

#### FEDERAL RESERVE BOARD AND CONVERSIONS OF UNITED STATES BONDS.

The following concerning the conversion of United States bonds and the adoption by the Federal Reserve Board of a resolution expressing it as the sense of the Board that as no necessity exists therefor, it will not at this time require the Federal Reserve banks to purchase any of the bonds offered for sale by member banks through the United States Treasurer under the provisions of Section 18, appears in the "Reserve Bulletin" for October:

All of the \$30,000,000 of United States 2% bonds which may be converted by the 12 Federal Reserve banks into 30-year 3% bonds and 1-year 3% notes under Section 18 of the Federal Reserve Act during the year ending Sept. 30 1916 have been exchanged. The conversions have been on three dates, the first covering two quarterly periods. Approximately \$2,000,000 in conversion bonds and notes were declined and taken by other banks than those to which they were originally allotted.

Owing to the fact that Federal Reserve banks were known to have purchased more than the required amount of \$25,000,000 in 2% bonds during the year, there was but a small offering of bonds by member banks for sale to Federal Reserve banks through the Treasurer of the United States on Sept. 21.

The following resolution was passed by the Board on Sept. 22 1916:

"Whereas it appears that the 12 Federal Reserve banks have purchased in the open market bonds in excess of the amount which might have been allotted to such banks at the end of this quarterly period on the basis heretofore determined upon and announced by the Board; Now therefore, be it

*Resolved*, That it is the sense of the Board that no necessity exists for enforcing the requirement provided for under Section 18 of the Federal Reserve Act at the end of this quarterly period ending Oct. 1 1916, and that it will not, therefore, at this time require the Federal Reserve banks to purchase any of the bonds which are offered for sale by member banks through the Treasurer of the United States under the provisions of Section 18: Be it further

*Resolved*, That the Secretary be instructed to send a copy of this resolution to the various Federal Reserve banks and to the member banks which have offered bonds for sale in order that they may be notified of the action of the Board in the premises."

#### RESERVE BOARD REPRIMANDS RESERVE BANK FOR NOT MAKING PAYMENTS IN RESERVE NOTES.

Knowledge having come to it that a Federal Reserve bank was meeting currency demands in its districts by paying out gold certificates and legal-tender instead of using its own Federal Reserve notes, the Federal Reserve Board has issued a letter giving notice that it deprecates the use of gold certificates and legal tender notes for crop-moving purposes and indicating that it would prefer to have Federal Reserve notes used wherever possible. We quote below what the Board has to say in the matter:

It having come to the attention of the Federal Reserve Board that one of the Federal Reserve banks was meeting currency demands in its district by paying out gold certificates and legal-tender instead of using its own Federal Reserve notes, for the reason that the former could be obtained more cheaply than the latter, the Governor of the Federal Reserve Board, on Sept. 11, addressed the following letter to the bank for the district in which this expedient was adopted, sending copies of the letter to all other Federal Reserve agents:

"The Board has received the letter of your bank, dated Sept. 7, which confirms your code telegram instructing the withdrawal from the Gold Settlement Fund of \$1,000,000 and the deposit of same amount with the Treasurer of the United States for your bank's credit. This states that the object in having this deposit made was to provide for the shipment to your bank by the Treasurer of the United States of the same amount in gold certificates and United States notes of small denominations, enabling you to supply the demand which you anticipate will be made upon you by member banks. It further states that you may have occasion to make similar requests in the future. It is noted that you prefer, 'for the time being, at least, to put in circulation in our district United States currency, which we can obtain at a cost to ourselves of approximately 20 cents per thousand, rather than issue our notes at a considerably greater expense to us.'

"While the Board recognizes the importance of small economies in the operation and administration of the Federal Reserve banks, it feels, nevertheless, that it is unwise to lose sight of the larger objects to be attained. It is of the opinion that it is highly desirable that there be held in the vaults of the Federal Reserve banks of the United States Treasury and Sub-Treasuries as large an amount of gold as possible, and it deprecates the use of gold certificates and legal-tender notes for crop-moving purposes. Silver certificates in small denominations and national bank notes will naturally form a substantial part of the circulating medium, but the Board would prefer to have Federal Reserve notes used wherever possible and is anxious to see this policy adopted by the Federal Reserve banks. It hopes, therefore, that your bank will not let a desire to save a small expense influence it in this respect and that whenever it can issue Federal Reserve notes it will do so, thereby helping to concentrate gold certificates in the vaults of the Federal Reserve banks and to put in circulation currency of an elastic character, which will be withdrawn automatically as soon as the demand for it ceases."



### FEDERAL RESERVE BOARD REQUIRES THAT DIVIDENDS OF FEDERAL RESERVE BANKS SHALL BE IN JUNE AND DECEMBER.

The announcement that books of the Federal Reserve banks will be closed and dividend payments hereafter made as of June 30 or Dec. 31, or both, is made as follows in the "Reserve Bulletin" for October:

Books of Federal Reserve banks will be closed and dividend payments hereafter made as of June 30 or Dec. 31, or both. This matter has been under consideration by the Federal Reserve Board, and in this connection it has had the benefit of an investigation by a committee of the governors of Federal Reserve banks which reported to a meeting of the governors held in Boston in August. The letter carrying this direction into effect was sent out on Sept. 18 1916, and is given below:

"You are advised that in the opinion of the Federal Reserve Board it is desirable that any dividends declared by Federal Reserve banks should be with a view to their payment at regular intervals, and that the books of the banks should be closed on June 30 or Dec. 31, as the case may be, so that each member bank may be credited with its proportion of the dividend not later than the following day. While the Board has not so far adhered to this policy strictly, having yielded to the wishes of the management of the Federal Reserve banks in some instances, it concurs fully in the matter of dividend payments with the committee of governors of the Federal Reserve banks appointed at the conference of governors held in Boston recently, and will not in future be disposed to give its assent to dividend payments, except at the appropriate time in June and December.

Please bring this to the attention of your directors at the next meeting.

### NATIONAL BANKS AS TRANSFER AGENTS.

In an informal ruling the Federal Reserve Board in indicating that it has no authority to empower national banks to act as transfer agents, in a letter to a Federal Reserve bank says:

With reference to your letter of July 28, regarding the power of a national bank to act as transfer agent, Section 11 (k) of the Federal Reserve Act confers upon the Board the authority to authorize national banks to act only as trustee, executor, administrator and registrar of stocks and bonds and not as transfer agent. Consequently, it is impossible for the Board to authorize any national bank to act as transfer agent.

August 1 1916.

### DEPOSITS AND RESOURCES OF NATIONAL BANKS ESTABLISH NEW RECORDS.

All previous records in the matter of deposits and resources of the national banks were broken on Sept. 1—the latest date these institutions were called on to report to the Government. This is made known by Comptroller of the Currency John Skelton Williams in a statement issued on the 10th inst., which we quote below:

The reports of condition of the national banks of the United States at the call of May 1 1916, showed that these banks had on that date the largest deposits and the largest resources ever shown in the history of the system.

The preliminary figures just compiled for the fifty-five Reserve cities of the country and from the country banks of several States indicate that our national banks on Sept. 1 1916, have again broken all previous records in the matter of deposits and resources.

An analysis of the reports of the fifty-five Reserve and Central Reserve cities reveals the effect of the Federal Reserve Act in distributing more widely the money of the country, and in preventing its consolidation and congestion in a few centres.

These preliminary figures tell us that as compared with May 1, the deposits on Sept. 12 in several great centres show a material reduction, while in nearly every other Reserve city throughout the country, and conspicuously in country banks, there has been a large increase in deposits. They show that the only Reserve cities in which there was a decline of as much as a million dollars in deposits, were New York City, with a reduction of 222 millions dollars, Boston 36 million, Philadelphia 13 million, St. Louis 3½ million, Minneapolis 3 million and St. Paul 2½ million.

The Reserve cities where an increase in deposits of two millions or more were shown for Sept. 12, as compared with the call of May 1 1916, were San Francisco 35½ million, Kansas City, Mo. 23.7 million, Pittsburgh 21 million, Cleveland 18 million, Omaha 14½ million, Houston 8 million, Chicago 7.3 million, Indianapolis and Columbus 7 million each, Denver 6.7 million, Los Angeles 6½ million, Milwaukee 5.7 million, Cincinnati, Richmond and Wichita 5 million each, St. Joseph 4½ million, Baltimore 3½ million, Dallas and San Antonio 3 million each, Detroit 2.8 million, Seattle and Lincoln 2.7 million each, Atlanta, Washington and Oklahoma City 2 million. Those showing increases in deposits ranging between one million and two million were Fort Worth, Birmingham, Waco, Kansas City, Kansas and Portland.

In each of the other Reserve cities not shown in this list the changes in deposits, whether increases or decreases, amounted to less than a million dollars.

The withdrawal or transfer of deposits from New York, Boston, Philadelphia and St. Louis has in no way interfered with the healthy growth and business activity of those cities, and money is still being loaned in them on terms quite as favorable, if not more favorable, than ever known before.

The unprecedented accumulations of funds and banking credits in the other cities and towns throughout the country, and especially in the country banks is significant, and is imparting a business confidence and a degree of security, stability and optimism throughout the length and breadth of the United States which has rarely been experienced by any country.

The preliminary reports just compiled for ten States indicate increases in the deposits of the country banks of these States exclusive of the deposits of the national banks in Reserve cities of the same States as follows: Ohio 26 million, Texas 20 million, Kansas 12 million, Indiana 11 million, Massachusetts and Connecticut 10 million each, Georgia 7 million, Nebraska 5½ million, Washington 4 million, New Hampshire 3½ million; total increases in country banks, ten States, 109 million dollars. The increase for the same period in deposits of the national banks in twenty of the twenty-one Reserve cities in these same ten States was 84 million dollars; reduction in one Reserve city (Boston), 36 million.

Total increase in deposits in national banks of the ten States named, 193 million dollars, less the reduction in Boston of 36 million.

The increase in the deposits of the national banks is confined to no special locality, but is widespread, covering every section of the country from ocean to ocean and from the Great Lakes to the Gulf and the Mexican border.

### HEARING IN CHICAGO ON PRIVATE BANK LEGISLATION.

A hearing on the question of measures for the regulation of private banks doing business in Illinois was held at the Hotel La Salle, Chicago, on the 2d inst. A number of prominent Chicago bankers were in attendance to present their views concerning desirable regulatory steps. James B. Forgan, Chairman of the Board of the First National Bank of Chicago, in giving expression to his views, said:

Private banking as it has been conducted in Chicago has in too many cases become a source of serious loss to the community and of reproach to legitimate banking. It is high time that something should be done to remedy the evil. This is necessary, primarily, for the protection of the community; and, secondarily, for the credit of the more conservative banking interests, which suffer in public estimation through what is nothing short of a public scandal.

I would advise that you should not make it too easy under the law to organize a bank, and under no circumstances should private individuals be permitted to use the name of "bank" or "trust company" unless they are incorporated under proper restrictions and regulations to do banking or trust company business.

The first essential that legislation should provide is that there should be ample capital to protect depositors, and the second is that a sufficient proportion of the assets should be kept in liquid form to meet emergencies such as crop failures or the like.

As the minimum authorized capitalization of incorporated banks I would strongly recommend that it should not be reduced below the amounts, based on population, recommended by the committee of the State Bankers' Association. No bank should be permitted to commence business on less capital than is required to make a fair-sized institution of it, and \$25,000 is certainly small enough for that purpose.

The banker should be able to live out of it. Otherwise he will be forced to engage in other lines of business and will be strongly tempted to use the bank's money in promoting them, which is one of the most vicious practices of our American banking system, and one against which the public should be safeguarded by stringent legal enactment. You should not overlook this in amending the banking law.

According to the Chicago "Herald," Mr. Forgan cited figures showing that there are 556 private banks in Illinois, 358 of which claim an aggregate capital of \$8,387,000 and a surplus of \$3,199,000, or an average capital and surplus of a little more than \$32,000 per bank. The other 198 banks make no public statement as to their capitalization.

In taking exception to Mr. Forgan's suggestion that the Bank of Nova Scotia and the Bank of British North America be exempted from the regulation proposed, Charles G. Dawes, President of the Central Trust Co. of Illinois, is quoted to the following effect in the Chicago "Tribune":

I take issue with Mr. Forgan when he suggests that the Bank of Nova Scotia and the Bank of Montreal, two Canadian banks doing business in Chicago, but not subject to the Illinois examinations, be given any special considerations or exemptions.

I also take issue when he suggests that the legislature should make special arrangements for the international private bankers, such as J. P. Morgan and Kuhn-Loeb. Everybody must come in on the same terms.

I am aware that New York, where most of these large private bankers are located, has allowed them to go along, content to restrict them from the use of the term "bank" or "banker." But it is also well known that some of these private bankers have gained control in some of our largest business concerns and railroads. In this capacity they control immense sums of money in surplus and sinking funds. If there is no regulation of any nature they can use these moneys as they please.

There can be no mistake but that there are dangerous possibilities in this situation. New York has these banks already and maybe if we had them, I would have to say that they should not be disturbed. But Chicago is just beginning to show interest in international financial affairs, and I would be in favor of starting out on the most solid principles.

In answering Mr. Dawes's contentions with regard to the Canadian institutions, Mr. Forgan said:

They have acquired a vested interest to do business in Illinois. They have had a vital part in building up the industry of the city and came here in an early day when the city needed capital and development. Granting that they are not subject to the laws of Illinois, except that they allow the examinations as far as they are able, it must be remembered that they are subject to the laws of Canada, and that the Bank of Montreal is one of the strongest in that country.

Mr. Dawes, it is stated, while favoring legislation for the immediate incorporation of private banking institutions, thought it might be desirable that the requirement in the case of the publication of reports might be delayed for three years, as suggested by the Bankers' Association committee. He pointed out that "in Wisconsin, because of the passage of a stringent law without giving banks time to adjust themselves, some \$600,000 in deposits was lost within a year."

George M. Reynolds, President of the Continental & Commercial National Bank of Chicago, also an advocate of legislation for the regulation of private banks, likewise thought that "ample time should be given to allow well-managed banks to get their houses in order."

The conference was attended by representatives of national, State and private institutions and thirty members of the State Legislature.

Lucius Teter, Chairman of the private banking committee of the Association of Commerce, announced the appointment of a committee of that association, consisting of W. T.



Abbott, Robert J. McKay, Charles R. Holden, Edward E. Gore and himself, to study the private bank problem and aid in obtaining legislation.

#### GAINS AND LOSSES IN THE FOREIGN TRADE.

The volume of exports to the United Kingdom, Russia and France continue to be the commanding feature of the monthly foreign trade statement issued by the Bureau of Foreign and Domestic Commerce of the Department of Commerce, Washington. For the month of August 1916 the exports to the United Kingdom totaled \$159,437,554, against \$93,190,955 in August 1915; to France \$72,176,007, against \$28,849,417, and to Russia \$51,265,433, as compared with \$10,385,636 in August a year ago. For the eight months ended August 1916 the exports to the United Kingdom reached the stupendous figure of \$1,207,751,939, whereas the total in the same month last year was but \$753,470,395. To Germany, the exports to which are at a standstill, the figures for the eight months aggregated but \$1,118,233. The detailed figures of both exports and imports as furnished this week by the Bureau of Foreign and Domestic Commerce are given below:

Imports from:	—Month of August—		—8 Months ended August—	
	1916.	1915.	1916.	1915.
Grand Divisions—	\$	\$	\$	\$
Europe .....	53,710,620	38,142,368	442,509,158	351,389,547
North America .....	54,817,920	46,104,723	458,064,019	354,397,501
South America .....	31,537,098	22,280,972	286,690,531	199,449,175
Asia .....	52,341,486	31,438,884	353,720,184	184,017,968
Oceania .....	5,830,545	2,440,359	74,395,561	38,662,981
Africa .....	1,098,554	1,396,896	51,776,344	22,941,588
Total .....	199,336,223	141,804,202	1,667,155,797	1,150,858,760

Principal countries—				
Austria Hungary .....	18,818	113,061	515,026	4,540,168
Belgium .....	90,768	76,368	854,817	1,771,434
France .....	10,061,333	7,538,826	75,832,497	46,994,257
Germany .....	82,579	725,244	4,896,031	36,819,943
Italy .....	3,908,533	2,694,413	42,632,606	34,496,134
Netherlands .....	4,594,015	1,831,813	30,440,952	17,271,961
Norway .....	484,789	659,771	4,056,327	4,617,563
Russia in Europe .....	1,703,710	440,124	3,558,389	912,373
Spain .....	2,300,036	1,225,091	21,081,434	10,659,283
Sweden .....	1,886,934	1,158,911	8,977,117	7,504,829
Switzerland .....	2,643,780	1,695,854	15,381,518	12,390,799
United Kingdom .....	24,596,556	18,535,932	219,115,921	161,737,702
Canada .....	21,444,213	15,853,723	138,144,495	101,360,082
Mexico .....	9,030,936	8,638,928	70,299,231	58,846,452
Cuba .....	17,738,141	17,411,854	193,652,650	156,175,825
Argentina .....	9,693,144	6,214,692	84,456,726	61,253,369
Brazil .....	6,856,027	5,998,404	79,807,977	66,557,308
Chile .....	5,666,225	4,354,180	56,394,589	24,831,295
China .....	7,507,091	4,515,138	56,367,492	32,320,521
British East Indies .....	18,471,183	13,867,745	143,943,961	73,786,621
Japan .....	19,912,111	10,063,178	114,770,886	62,752,966
Australia and New Zealand .....	1,265,887	1,262,804	50,751,549	23,996,247
Philippine Islands .....	4,297,893	1,066,616	21,442,510	13,504,595
Egypt .....	316,353	857,432	25,284,675	14,606,864

Exports to:	—Month of August—		—8 Months ended August—	
	1916.	1915.	1916.	1915.
Grand divisions—	\$	\$	\$	\$
Europe .....	359,074,955	172,072,656	2,379,410,916	1,633,637,964
North America .....	84,880,950	52,094,052	567,588,768	336,116,133
South America .....	21,662,528	13,436,547	139,630,127	86,554,482
Asia .....	27,137,188	10,269,258	247,485,393	90,247,819
Oceania .....	12,278,520	9,272,088	70,743,676	62,000,726
Africa .....	4,860,338	3,465,394	31,110,332	22,330,078
Total .....	509,894,479	260,609,995	3,435,969,212	2,230,887,202

Principal countries—				
Austria-Hungary .....		6,698	68,385	43,334
Belgium .....	4,158,040	1,490,829	16,255,570	14,057,335
Denmark .....	5,569,778	3,476,703	36,436,534	52,802,832
France .....	72,176,007	28,849,417	544,475,088	332,978,137
Germany .....		38,743	1,118,233	11,688,510
Greece .....	2,733,685	2,336,462	23,597,141	19,239,193
Italy .....	32,882,484	15,510,031	170,394,823	150,149,604
Netherlands .....	11,824,319	6,746,673	72,784,972	108,704,111
Norway .....	6,420,118	1,618,085	42,152,668	27,839,781
Russia in Europe .....	51,265,433	10,385,636	176,045,337	59,312,201
Spain .....	3,676,284	2,442,543	37,002,902	28,442,650
Sweden .....	3,550,382	4,256,197	26,597,374	61,701,464
United Kingdom .....	159,437,554	93,190,955	1,207,751,939	753,470,395
Canada .....	56,881,773	34,766,912	373,736,569	209,189,107
Central America .....	3,631,293	2,942,613	28,873,614	23,452,244
Mexico .....	3,848,042	3,598,677	31,874,039	25,196,177
Cuba .....	15,625,687	8,111,511	97,966,466	54,445,495
Argentina .....	8,264,446	4,559,744	51,126,793	31,126,173
Brazil .....	4,943,970	4,045,379	31,326,473	21,067,408
Chile .....	2,930,566	1,634,067	19,388,050	10,095,846
China .....	3,438,092	1,838,962	20,261,405	13,647,151
British East Indies .....	2,945,141	1,647,507	18,336,850	13,172,537
Japan .....	7,372,559	3,088,981	64,909,761	28,677,607
Russia in Asia .....	10,228,127	2,099,805	124,317,289	21,980,632
Australia and New Zealand .....	9,990,197	6,399,887	55,025,095	41,673,249
Philippine Islands .....	2,193,806	2,735,115	14,707,082	19,557,544
British Africa .....	3,447,556	2,348,528	20,602,091	15,252,610

#### LABOR CONDITIONS IN THE ANTHRACITE REGION.

According to a statement issued by the Anthracite Bureau of Information at Wilkes-Barre, Pa., advance reports of the United States Geological Survey show that employees in the anthracite mines worked fewer days in 1915 than in any year since 1910, the average number of days worked in 1915 having been 230, against 245 days in 1914 and 257 days in 1913. In indicating the reasons for this the Bureau says:

The decrease in the number of days worked in 1915 as reported to the Geological Survey reflects the unsatisfactory condition of the anthracite industry, which was particularly in evidence during the first seven months of the year. From January to July, inclusive, the shipments of anthracite in 1915 showed a decrease of nearly 2,000,000 tons as compared with 1914, while as compared with 1913 the decrease for this period was over 3,800,000 tons. Demand for anthracite was so poor in the first half of the year that many of the mines were operated not more than 15 days in a month, but in spite of this reduction in output, due to the idle time, stocks in the storage yards accumulated until many of them were filled considerably above their rated capacity, and at the beginning of the present season the quantity of coal in storage was variously estimated at from 7,000,000 to 9,000,000 tons, the smaller quantity probably being in excess of any previous record on storage coal.

An entirely different situation exists at the present time, the change being due to two causes. The first of these is that as a result of failure to place orders in the discount months of 1915 (the previous winter having been mild and considerable coal remained in consumers' hands), many householders in New England and other Northern States found themselves short of fuel in the latter part of the winter of 1915-16. The experience thus gained has developed a widespread intent of being forehanded and orders for next winter's coal have been so plentiful that not only has the daily production been taken care of but the storage yards have been almost entirely depleted of their reserve stocks.

The second cause of the different situation in 1916 as compared with 1915 is the shortage of labor in the anthracite mines. A conservative estimate places the number of men, chiefly miners' laborers, that have left the anthracite fields, attracted by the higher wages in munition plants and other industries stimulated by the European war, at 20,000. The companies are putting forth every effort to keep their mines working to capacity and to secure a production that will eliminate any danger of a coal famine next winter, but their efforts are largely discounted by the miners, who seem to take advantage of every opportunity that offers to throw the mines idle and otherwise cut down the output.

Church feast days and picnics, funerals and weddings, are amply sufficient to justify a holiday, and a period of idleness of ten days at one colliery because breaker boys objected to the time of day set for paying off, was not resented by the other mine employees. Since June 1 a score or more of "button strikes" have affected about 35,000 men, half of whom lost as much as eleven days' work. Advances in wage rates and shorter working hours may increase the price of coal to the consumer, but they do not stimulate the miner to any more earnest effort to supply the consumers' needs.

It is interesting to note that in the year of fewer working days (1915) the average output per man per day showed a gain over 1914 of from 1.84 tons to 1.96 tons, while the average for each man for the year was about the same in both years, 450 and 451 tons, respectively. In 1913, the year of largest production in the anthracite region, the average production per man for the year was 466 tons, and the average per day, 1.81 tons. It will be interesting to note, when the returns for the current year are in, to what an extent the increased wages and decreased hours have increased the "intensity of labor" in the anthracite region.

#### TEXT OF FEDERAL WAREHOUSE ACT.

The Federal Warehouse Act, as we noted in these columns Sept. 2, is embodied in the Agricultural Appropriation Act, which was approved by President Wilson on Aug. 11. The Warehouse Bill provides for the licensing and inspection of warehouses for the storage of cotton, wool, grains, tobacco and flaxseed, and its principal purpose is to establish a form of warehouse receipt for these commodities which will make the receipts readily and widely negotiable as delivery orders or as collateral for loans, to the end that they will be of definite assistance in financing crops. The purposes of the Act, as outlined in a statement of the Department of Agriculture, were set out in our issue of September 2. The full text of the Act, which is known as Part C of the Agricultural Appropriation Act, is as follows:

##### PART C.

That this part, to be known as the United States Warehouse Act, be and is hereby enacted, to read and be effective hereafter as follows:

"That this Act shall be known by the short title of 'United States Warehouse Act.'

"Sec. 2. That the term 'warehouse' as used in this Act shall be deemed to mean every building, structure, or other protected inclosure in which any agricultural product is or may be stored for inter-State or foreign commerce, or, if located within any place under the exclusive jurisdiction of the United States, in which any agricultural product is or may be stored. The term 'agricultural product' wherever used in this Act shall be deemed to mean cotton, wool, grains, tobacco and flaxseed, or any of them. As used in this Act, 'person' includes a corporation or partnership or two or more persons having a joint or common interest; 'warehouseman' means a person lawfully engaged in the business of storing agricultural products; and 'receipt' means a warehouse receipt.

"Sec. 3. That the Secretary of Agriculture is authorized to investigate the storage, warehousing, classifying according to grade and otherwise, weighing and certification of agricultural products; upon application to him by any person applying for license to conduct a warehouse under this Act, to inspect such warehouse or cause it to be inspected; at any time, with or without application to him, to inspect or cause to be inspected all warehouses licensed under this Act; to determine whether warehouses for which licenses are applied for or have been issued under this Act are suitable for the proper storage of any agricultural product or products; to classify warehouses licensed or applying for a license in accordance with their ownership, location, surroundings, capacity, conditions, and other qualities, and as to the kinds of licenses issued or that may be issued for them pursuant to



this Act; and to prescribe, within the limitations of this Act, the duties of the warehousemen conducting warehouses licensed under this Act with respect to their care of and responsibility for agricultural products stored therein.

"Sec. 4. That the Secretary of Agriculture is authorized, upon application to him, to issue to any warehouseman a license for the conduct of a warehouse or warehouses in accordance with this Act and such rules and regulations as may be made hereunder: *Provided*, That each such warehouse be found suitable for the proper storage of the particular agricultural product or products for which a license is applied for, and that such warehouseman agree, as a condition to the granting of the license, to comply with and abide by all the terms of this Act and the rules and regulations prescribed hereunder.

"Sec. 5. That each license issued under sections four and nine of this Act shall be issued for a period not exceeding one year and shall specify the date upon which it is to terminate, and upon showing satisfactory to the Secretary of Agriculture may from time to time be renewed or extended by a written instrument, which shall specify the date of its termination.

"Sec. 6. That each warehouseman applying for a license to conduct a warehouse in accordance with this Act shall, as a condition to the granting thereof, execute and file with the Secretary of Agriculture a good and sufficient bond other than personal security to the United States to secure the faithful performance of his obligations as a warehouseman under the laws of the State, District, or Territory in which he is conducting such warehouse, as well as under the terms of this Act and the rules and regulations prescribed hereunder, and of such additional obligations as a warehouseman as may be assumed by him under contracts with the respective depositors of agricultural products in such warehouse. Said bond shall be in such form and amount, shall have such surety or sureties, subject to service of process in suits on the bond within the State, District, or Territory in which the warehouse is located, and shall contain such terms and conditions as the Secretary of Agriculture may prescribe to carry out the purposes of this Act, including the requirements of fire insurance. Whenever the Secretary of Agriculture shall determine that a bond approved by him is, or for any cause has become, insufficient, he may require an additional bond or bonds to be given by the warehouseman concerned, conforming with the requirements of this section, and unless the same be given within the time fixed by a written demand therefor, the license of such warehouseman may be suspended or revoked.

"Sec. 7. That any person injured by the breach of any obligation to secure which a bond is given, under the provisions of sections six or nine, shall be entitled to sue on the bond in his own name in any court of competent jurisdiction to recover the damages he may have sustained by such breach.

"Sec. 8. That upon the filing with and approval by the Secretary of Agriculture of a bond, in compliance with this Act, for the conduct of a warehouse, such warehouse shall be designated as bonded hereunder; but no warehouse shall be designated as bonded under this Act, and no name or description conveying the impression that it is so bonded, shall be used, until a bond, such as provided for in section six, has been filed with and approved by the Secretary of Agriculture, nor unless the license issued under this Act for the conduct of such warehouse remains unsuspended and unrevoked.

"Sec. 9. That the Secretary of Agriculture may, under such rules and regulations as he shall prescribe, issue a license to any person not a warehouseman to accept the custody of agricultural products and to store the same in a warehouse or warehouses owned, operated, or leased by any State, upon condition that such person agree to comply with and abide by the terms of this Act and the rules and regulations prescribed hereunder. Each person so licensed shall issue receipts for the agricultural products placed in his custody, and shall give bond, in accordance with the provisions of this Act and the rules and regulations hereunder affecting warehousemen licensed under this Act, and shall otherwise be subject to this Act and such rules and regulations to the same extent as is provided for warehousemen licensed hereunder.

"Sec. 10. That the Secretary of Agriculture shall charge, assess, and cause to be collected a reasonable fee for every examination or inspection of a warehouse under this Act when such examination or inspection is made upon application of a warehouseman, and a fee not exceeding \$2 per annum for each license or renewal thereof issued to a warehouseman under this Act. All such fees shall be deposited and covered into the Treasury as miscellaneous receipts.

"Sec. 11. That the Secretary of Agriculture may, upon presentation of satisfactory proof of competency, issue to any person a license to classify any agricultural product or products, stored or to be stored in a warehouse licensed under this Act, according to grade or otherwise and to certificate the grade or other class thereof, or to weigh the same and certificate the weight thereof, or both to classify and weigh the same and to certificate the grade or other class and the weight thereof, upon condition that such person agree to comply with and abide by the terms of this Act and of the rules and regulations prescribed hereunder so far as the same relate to him.

"Sec. 12. That any license issued to any person to classify or to weigh any agricultural product or products under this Act may be suspended or revoked by the Secretary of Agriculture whenever he is satisfied, after opportunity afforded to the licensee concerned for a hearing, that such licensee has failed to classify or to weigh any agricultural product or products correctly, or has violated any of the provisions of this Act or of the rules and regulations prescribed hereunder, so far as the same may relate to him, or that he has used his license or allowed it to be used for any improper purpose whatsoever. Pending investigation, the Secretary of Agriculture, whenever he deems necessary, may suspend a license temporarily without hearing.

"Sec. 13. That every warehouseman conducting a warehouse licensed under this Act shall receive for storage therein, so far as its capacity permits, any agricultural product of the kind customarily stored therein by him, which may be tendered to him in a suitable condition for warehousing, in the usual manner in the ordinary and usual course of business, without making any discrimination between persons desiring to avail themselves of warehouse facilities.

"Sec. 14. That any person who deposits agricultural products for storage in a warehouse licensed under this Act shall be deemed to have deposited the same subject to the terms of this Act and the rules and regulations prescribed hereunder.

"Sec. 15. That grain, flaxseed, or any other fungible agricultural product stored for inter-State or foreign commerce, or in any place under the exclusive jurisdiction of the United States, in a warehouse licensed under this Act, shall be inspected and graded by a person duly licensed to grade the same under this Act.

"Sec. 16. That every warehouseman conducting a warehouse licensed under this Act shall keep the agricultural products therein of one depositor so far separate from agricultural products of other depositors, and from other agricultural products of the same depositor for which a separate receipt has been issued, as to permit at all times the identification and redelivery of the agricultural products deposited; but if authorized by agreement or by custom, a warehouseman may mingle fungible agricultural prod-

ucts with other agricultural products of the same kind and grade, and shall be severally liable to each depositor for the care and redelivery of his share of such mass, to the same extent and under the same circumstances as if the agricultural products had been kept separate, but he shall at no time while they are in his custody mix fungible agricultural products of different grades.

"Sec. 17. That for all agricultural products stored for inter-State or foreign commerce, or in any place under the exclusive jurisdiction of the United States, in a warehouse licensed under this Act original receipts shall be issued by the warehouseman conducting the same, but no receipts shall be issued except for agricultural products actually stored in the warehouse at the time of the issuance thereof.

"Sec. 18. That every receipt issued for agricultural products stored in a warehouse licensed under this Act shall embody within its written or printed terms (a) the location of the warehouse in which the agricultural products are stored; (b) the date of issue of the receipt; (c) the consecutive number of the receipt; (d) a statement whether the agricultural products received will be delivered to the bearer, to a specified person, or to a specified person or his order; (e) the rate of storage charges; (f) a description of the agricultural products received, showing the quantity thereof, or, in case of agricultural products customarily put up in bales or packages, a description of such bales or packages by marks, numbers, or other means of identification and the weight of such bales or packages; (g) the grade or other class of the agricultural products received and the standard or description in accordance with which such classification has been made. *Provided*, That such grade or other class shall be stated according to the official standard of the United States applicable to such agricultural products as the same may be fixed and promulgated under authority of law: *Provided further*, That until such official standards of the United States for any agricultural product or products have been fixed and promulgated, the grade or other class thereof may be stated in accordance with any recognized standard or in accordance with such rules and regulations not inconsistent herewith as may be prescribed by the Secretary of Agriculture; (h) a statement that the receipt is issued subject to the United States Warehouse Act and the rules and regulations prescribed thereunder; (i) if the receipt be issued for agricultural products of which the warehouseman is owner, either solely or jointly or in common with others, the fact of such ownership; (j) a statement of the amount of advances made and of liabilities incurred for which the warehouseman claims a lien: *Provided*, That if the precise amount of such advances made or of such liabilities incurred be at the time of the issue of the receipt unknown to the warehouseman or his agent who issues it, a statement of the fact that advances have been made or liabilities incurred and the purpose thereof shall be sufficient; (k) such other terms and conditions within the limitations of this Act as may be required by the Secretary of Agriculture; and (l) the signature of the warehouseman, which may be made by his authorized agent: *Provided*, That unless otherwise required by the law of the State in which the warehouse is located, when requested by the depositor of other than fungible agricultural products, a receipt omitting compliance with subdivision (g) of this section may be issued if it have plainly and conspicuously embodied in its written or printed terms a provision that such receipt is not negotiable.

"Sec. 19. That the Secretary of Agriculture is authorized, from time to time, to establish and promulgate standards for agricultural products in this Act defined by which their quality or value may be judged or determined: *Provided*, That the standards for any agricultural products which have been, or which in future may be, established by or under authority of any other Act of Congress shall be, and are hereby, adopted for the purposes of this Act as the official standards of the United States for the agricultural products to which they relate.

"Sec. 20. That while an original receipt issued under this Act is outstanding and uncanceled by the warehouseman issuing the same, no other or further receipt shall be issued for the agricultural product covered thereby or for any part thereof, except that in the case of a lost or destroyed receipt a new receipt, upon the same terms and subject to the same conditions and bearing on its face the number and date of the receipt in lieu of which it is issued, may be issued upon compliance with the statutes of the United States applicable thereto in places under the exclusive jurisdiction of the United States or upon compliance with the laws of any State applicable thereto in any place not under the exclusive jurisdiction of the United States: *Provided*, That if there be in such case no statute of the United States or law of a State applicable thereto such new receipts may be issued upon the giving of satisfactory security in compliance with the rules and regulations made pursuant to this Act.

"Sec. 21. That a warehouseman conducting a warehouse licensed under this Act, in the absence of some lawful excuse, shall, without unnecessary delay, deliver the agricultural products stored therein upon a demand made either by the holder of a receipt for such agricultural products or by the depositor thereof if such demand be accompanied with (a) an offer to satisfy the warehouseman's lien; (b) an offer to surrender the receipt, if negotiable, with such endorsements as would be necessary for the negotiation of the receipt; and (c) a readiness and willingness to sign, when the products are delivered, an acknowledgment that they have been delivered if such signature is requested by the warehouseman.

"Sec. 22. That a warehouseman conducting a warehouse licensed under this Act shall plainly cancel upon the face thereof each receipt returned to him upon the delivery by him of the agricultural products for which the receipt was issued.

"Sec. 23. That every warehouseman conducting a warehouse licensed under this Act shall keep in a place of safety complete and correct records of all agricultural products stored therein and withdrawn therefrom, of all warehouse receipts issued by him, and of the receipts returned to and canceled by him, shall make reports to the Secretary of Agriculture concerning such warehouse and the condition, contents, operation, and business thereof in such form and at such times as he may require, and shall conduct said warehouse in all other respects in compliance with this Act and the rules and regulations made hereunder.

"Sec. 24. That the Secretary of Agriculture is authorized to cause examinations to be made of any agricultural product stored in any warehouse licensed under this Act. Whenever, after opportunity for hearing is given to the warehouseman conducting such warehouse, it is determined that he is not performing fully the duties imposed on him by this Act and the rules and regulations made hereunder, the Secretary may publish his findings.

"Sec. 25. That the Secretary of Agriculture may, after opportunity for hearing has been afforded to the licensee concerned, suspend or revoke any license issued to any warehouseman conducting a warehouse under this Act, for any violation of or failure to comply with any provision of this Act or of the rules and regulations made hereunder or upon the ground that unreasonable or exorbitant charges have been made for services rendered. Pending investigation, the Secretary of Agriculture, whenever he deems necessary, may suspend a license temporarily without hearing.

"Sec. 26. That the Secretary of Agriculture from time to time may publish the results of any investigations made under section three of this Act; and he shall publish the names and locations of warehouses licensed and bonded and the names and addresses of persons licensed under this Act and lists of all licenses terminated under this Act and the causes therefor.



"Sec. 27. That the Secretary of Agriculture is authorized through officials, employees, or agents of the Department of Agriculture designated by him to examine all books, records, papers and accounts of warehouses licensed under this Act and of the warehousemen conducting such warehouses relating thereto.

"Sec. 28. That the Secretary of Agriculture shall from time to time make such rules and regulations as he may deem necessary for the efficient execution of the provisions of this Act.

"Sec. 29. That nothing in this Act shall be construed to conflict with, or to authorize any conflict with, or in any way to impair or limit the effect or operation of the laws of any State relating to warehouses, warehousemen, weighers, graders, or classifiers; but the Secretary of Agriculture is authorized to co-operate with such officials as are charged with the enforcement of such State laws in such States and through such co-operation to secure the enforcement of the provisions of this Act; nor shall this Act be construed so as to limit the operation of any statute of the United States relating to warehouses or warehousemen, weighers, graders, or classifiers now in force in the District of Columbia or in any Territory or other place under the exclusive jurisdiction of the United States.

"Sec. 30. That every person who shall forge, alter, counterfeit, simulate, or falsely represent, or shall without proper authority use, any license issued by the Secretary of Agriculture under this Act, or who shall violate or fail to comply with any provision of section eight of this Act, or who shall issue or utter a false or fraudulent receipt or certificate, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not more than \$500 or imprisoned not more than six months, or both, in the discretion of the Court.

"Sec. 31. That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$50,000, available until expended, for the expenses of carrying into effect the provisions of this Act, including the payment of such rent and the employment of such persons and means as the Secretary of Agriculture may deem necessary in the city of Washington and elsewhere, and he is authorized, in his discretion, to employ qualified persons not regularly in the service of the United States for temporary assistance in carrying out the purposes of this Act, and out of the moneys appropriated by this Act to pay the salaries and expenses thereof.

"Sec. 32. That if any clause, sentence, paragraph, or part of this Act shall, for any reason, be adjudged by any Court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

"Sec. 33. That the right to amend, alter, or repeal this Act is hereby expressly reserved."

#### CONDITIONS UNDER WHICH MERCHANDISE FOR EXPORT TO MEXICO MAY BE HELD IN WAREHOUSE INDEFINITELY.

The Treasury Department on September 11, called the attention of collectors of Internal Revenue to a Congressional resolution approved Sept. 5, extending the limitations of the law as to the period during which merchandise may remain in bonded warehouse without the payment of duty for exportation to Mexico to all such merchandise in warehouse Aug. 1 1916, until conditions in Mexico make it commercially practicable to export the same. We print the announcement below:

[T. D. 36663.]

##### Mexico, merchandise in warehouse for.

Merchandise in warehouse on Aug. 1 1916, and intended for exportation to Mexico may remain in warehouse until conditions in Mexico are such as to make it commercially practicable to export the same, in accordance with joint resolution approved Sept. 5 1916.

TREASURY DEPARTMENT.

September 11 1916.

To Collectors of Customs and others concerned:

Attention is invited to the following joint resolution approved Sept. 5 1916, amending Section 2971, Revised Statutes:

That the limitation of Section twenty-nine hundred and seventy-one of the Revised Statutes of the United States as to the period during which merchandise may remain in bonded warehouse without the payment of duty for exportation to Mexico be, and the same hereby is, extended to all merchandise which was in bonded warehouse on August first, nineteen hundred and sixteen, and intended for exportation to Mexico, until such time as in the opinion of the Secretary of the Treasury conditions in Mexico are such as to make it commercially practicable to export the merchandise to that country.

In accordance with the foregoing provision of law all merchandise intended for exportation to Mexico, and in bonded warehouse on Aug. 1 1916, should be permitted to remain in warehouse at the expense of the importer until such time as the Secretary of the Treasury shall declare that conditions in Mexico are such as to make it commercially practicable to export the merchandise to that country. However, the withdrawal of such merchandise for exportation to Mexico should be permitted at any time upon payment of the usual charges and expenses.

ANDREW J. PETERS.

Assistant Secretary.

#### TEXT OF THE SHIP PURCHASE BILL.

We give below the text of the Administration Ship Purchase Bill as enacted into law with the approval of President Wilson on Sept. 7. As is indicated by the title the purpose of the Act is "to establish a United States Shipping Board for the purpose of encouraging and creating a naval auxiliary and naval reserve and a merchant marine to meet the requirements of the commerce of the United States with its territories and possessions and with foreign countries, to regulate carriers by water engaged in the foreign and inter-State commerce of the United States." Besides creating a Shipping Board the Act, also provides for the creation of one or more corporations for the purchase, construction, equipment, lease, charter, maintenance and operation of merchant vessels in the commerce of the United States. The total capital is not to exceed \$50,000,000, "and the

Board may, for and on behalf of the United States, subscribe to, purchase and vote not less than a majority of the capital stock of any such corporation." The law also stipulates that "the Board with the approval of the President may sell any or all of the stock of the United States in such corporation, but at no time shall it be a minority stock holder therein." Actual Government operation would result only with the inability of the Board to enter into a contract with private parties for the purchase, lease or charter of the vessels. Operation of ships by the Government corporation is limited to five years. The bill also authorizes the Board to have constructed and equipped in American ship yards and navy yards, or to purchase, lease, or charter vessels, suitable, as far as the commercial requirements of the marine trade of the United States may permit, for use as naval auxiliaries or Army transports, or for other Naval or military purposes. Limitations upon these powers would prohibit the acquisition of any vessel engaged at the time in the foreign or domestic commerce of the United States, unless it is about to be withdrawn from such commerce without any intention on the part of the owner to return it thereto within a reasonable time; the purchase, lease or charter of any vessel which is under the registry or flag of a foreign country which is then engaged in war, or the acquisition of any vessel which is not adapted or cannot by reasonable alterations be adapted to the required purposes.

It is expressly provided under the Act "that foreign built vessels admitted to American registry or enrollment and license under this Act, and vessels owned, chartered or leased by any corporation in which the United States is a stockholder, and vessels sold, leased, or chartered to any person in which a citizen of the United States is a stockholder, and vessels sold, leased, or chartered to any person a citizen of the United States, as provided in this Act, may engage in the coastwise trade of the United States."

The Shipping Board is to consist of five Commissioners, to be appointed by the President, by and with the advice of the Senate. Each member is to receive a salary of \$7,500, and the Board is authorized to appoint a Secretary at a salary of \$5,000. The Act appropriates \$50,000,000 for the up-building of the merchant marine, the funds to be raised through the sale of Panama Canal bonds.

Important provisions giving the Shipping Board regulatory authority over water carriers of the country in Inter-State commerce with power to regulate rates, are carried in the Act. Inland water traffic, except on the Great Lakes, is exempted from the regulations. The Act stipulates that no water carrier shall directly or indirectly:

1. Pay or allow or enter into any combination, agreement or understanding, express or implied, to pay or allow, a deferred rebate to any shipper. The term "deferred rebate" in this Act means a return of any portion of the freight money by a carrier to any shipper as a consideration for the giving of all or any portion of his shipments to the same or any other carrier, or for any other purpose, the payment of which is deferred beyond the completion of the service for which it is paid, and is made only if, during the period for which computed and the period of deferment, the shipper has complied with the terms of the rebate agreement or arrangement.

2. Use a fighting ship either separately or in conjunction with any other carrier, through agreement or otherwise. The term "fighting ship" in this Act means a vessel used in a particular trade by a carrier or group of carriers for the purpose of excluding, preventing or reducing competition by driving another carrier out of said trade.

3. Retaliate against any shipper by refusing, or threatening to refuse, space accommodations when such are available, or resort to other discriminating or unfair methods, because such shipper has patronized any other carrier or has filed a complaint charging unfair treatment or for any other reason.

4. Make any unfair or unjustly discriminatory contract with any shipper based on the volume of freight offered, or unfairly treat or unjustly discriminate against any shipper in the matter of (a) cargo space accommodations or other facilities, due regard being had for the proper loading of the vessel and the available tonnage; (b) the loading and landing of freight in proper condition; or (c) the adjustment or settlement of claims.

Each carrier is required to file with the Board and keep open to public inspection, in the form and manner and within the time prescribed by the Board, its maximum rates, fares and charges, and no carrier may charge a greater compensation than the rates filed except with the approval of the Board. Among the other provisions is one calling upon the Board "to investigate the action of any foreign Government with respect to the privileges afforded and burdens imposed upon vessels of the United States engaged in foreign trade, whenever it shall appear that the laws, regulations or practices of any foreign Government operate in such a manner that vessels of the United States are not accorded equal privileges in foreign trade with vessels of such foreign countries or vessels of other foreign countries, either in trade to or from the ports of such foreign country or in respect of the passage or transportation through such foreign country of passengers or goods intended for shipment or transporta-



tion in such vessels of the United States." The following is the full text of the Act:

[H. R. 15455.]

An Act to establish a United States Shipping Board for the purpose of encouraging, developing, and creating a naval auxiliary and naval reserve and a merchant marine to meet the requirements of the commerce of the United States with its Territories and possessions and with foreign countries; to regulate carriers by water engaged in the foreign and inter-State commerce of the United States; and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That when used in this Act:

*Does Not Apply to Ocean Tramps.*

The term "common carrier by water in foreign commerce" means a common carrier, except ferryboats running on regular routes, engaged in the transportation by water of passengers or property between the United States or any of its Districts, Territories, or possessions and a foreign country, whether in the import or export trade: *Provided*, That a cargo boat commonly called an ocean tramp shall not be deemed such "common carrier by water in foreign commerce."

The term "common carrier by water in inter-State commerce" means a common carrier engaged in the transportation by water of passengers or property on the high seas or the Great Lakes on regular routes from port to port between one State, Territory, District, or possession of the United States and any other State, Territory, District, or possession of the United States, or between places in the same Territory, District, or possession.

The term "common carrier by water" means a common carrier by water in foreign commerce or a common carrier by water in inter-State commerce on the high seas or the Great Lakes on regular routes from port to port.

The term "other person subject to this Act" means any person not included in the term "common carrier by water," carrying on the business of forwarding or furnishing wharfage, dock, warehouse, or other terminal facilities in connection with a common carrier by water.

The term "person" includes corporations, partnerships, and associations, existing under or authorized by the laws of the United States, or any State, Territory, District, or possession thereof, or of any foreign country.

*What Constitutes Citizenship.*

Sec. 2. That within the meaning of this Act no corporation, partnership, or association shall be deemed a citizen of the United States unless the controlling interest therein is owned by citizens of the United States, and, in the case of a corporation, unless its president and managing directors are citizens of the United States and the corporation itself is organized under the laws of the United States or of a State, Territory, District, or possession thereof.

The provisions of this Act shall apply to receivers and trustees of all persons to whom the Act applies, and to the successors or assignees of such persons.

*Creation of Shipping Board.*

Sec. 3. That a board is hereby created, to be known as the United States Shipping Board, and hereinafter referred to as the board. The board shall be composed of five commissioners, to be appointed by the President, by and with the advice and consent of the Senate; said board shall annually elect one of its members as chairman and one as vice chairman.

The first commissioners appointed shall continue in office for terms of two, three, four, five, and six years, respectively, from the date of their appointment, the term of each to be designated by the President, but their successors shall be appointed for terms of six years, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the commissioner whom he succeeds.

The commissioners shall be appointed with due regard to their fitness for the efficient discharge of the duties imposed on them by this Act, and to a fair representation of the geographical divisions of the country. Not more than three of the commissioners shall be appointed from the same political party. No commissioner shall be in the employ of or hold any official relation to any common carrier by water or other person subject to this Act, or own any stocks or bonds thereof, or be pecuniarily interested therein. No commissioner shall actively engage in any other business, vocation, or employment. Any commissioner may be removed by the President for inefficiency, neglect of duty, or malfeasance in office. A vacancy in the board shall not impair the right of the remaining members of the board to exercise all its powers. The board shall have an official seal, which shall be judicially noticed.

The board may adopt rules and regulations in regard to its procedure and the conduct of its business.

Sec. 4. That each member of the board shall receive a salary of \$7,500 per annum. The board shall appoint a secretary, at a salary of \$5,000 per annum, and employ and fix the compensation of such attorneys, officers, naval architects, special experts, examiners, clerks, and other employees as it may find necessary for the proper performance of its duties and as may be appropriated for by the Congress. The President, upon the request of the board, may authorize the detail of officers of the military, naval, or other services of the United States for such duties as the board may deem necessary in connection with its business.

With the exception of the secretary, a clerk to each commissioner, the attorneys, naval architects, and such special experts and examiners as the board may from time to time find necessary to employ for the conduct of its work, all employees of the board shall be appointed from lists of eligibles to be supplied by the Civil Service Commission and in accordance with the civil-service law.

The expenses of the board, including necessary expenses for transportation, incurred by the members of the board or by its employees under its orders, in making any investigation, or upon official business in any other place than in the city of Washington, shall be allowed and paid on the presentation of itemized vouchers therefor approved by the chairman of the board.

Until otherwise provided by law the board may rent suitable offices for its use.

The Auditor for the State and Other Departments shall receive and examine all accounts of expenditures of the board.

*What Vessels May Be Purchased, Leased, Chartered, &c.*

Sec. 5. That the board, with the approval of the President, is authorized to have constructed and equipped in American shipyards and navy yards or elsewhere, giving preference, other things being equal, to domestic yards, or to purchase, lease, or charter, vessels suitable, as far as the commercial requirements of the marine trade of the United States may permit, for use as naval auxiliaries or Army transports, or for other naval or military purposes, and to make necessary repairs on and alterations of such vessels: *Provided*, That neither the board nor any corporation formed under section eleven in which the United States is then a stockholder shall purchase, lease, or charter any vessel—

(a) Which is then engaged in the foreign or domestic commerce of the United States, unless it is about to be withdrawn from such commerce

without any intention on the part of the owner to return it thereto within a reasonable time;

(b) Which is under the registry or flag of a foreign country which is then engaged in war;

(c) Which is not adapted, or can not by reasonable alterations and repairs be adapted, to the purposes specified in this section;

(d) Which, upon expert examination made under the direction of the board, a written report of such examination being filed as a public record, is not without alteration or repair found to be at least seventy-five per centum as efficient as at the time it was originally put in commission as a seaworthy vessel.

Sec. 6. That the President may transfer either permanently or for limited periods to the board such vessels belonging to the War or Navy Department as are suitable for commercial uses and not required for military or naval use in time of peace, and cause to be transferred to the board vessels owned by the Panama Railroad Company and not required in its business.

*May Charter, Lease or Sell to A Citizen.*

Sec. 7. That the board, upon terms and conditions prescribed by it and approved by the President, may charter, lease, or sell to any person, a citizen of the United States, any vessel so purchased, constructed, or transferred.

Sec. 8. That when any vessel purchased or constructed by or transferred to the board as herein provided, and owned by the United States, becomes, in the opinion of the board, unfit for the purposes of this Act, it shall be appraised and sold at public or private competitive sale after due advertisement free from the conditions and restrictions of this Act.

*May Engage in Coastwise Trade.*

Sec. 9. That any vessel purchased, chartered, or leased from the board may be registered or enrolled and licensed, or both registered and enrolled and licensed, as a vessel of the United States and entitled to the benefits and privileges appertaining thereto: *Provided*, That foreign-built vessels admitted to American registry or enrollment and license under this Act, and vessels owned, chartered, or leased by any corporation in which the United States is a stockholder, and vessels sold, leased, or chartered to any person, a citizen of the United States, as provided in this Act, may engage in the coastwise trade of the United States.

*May Not Be Transferred to Foreign Registry Without Approval of Board.*

Every vessel purchased, chartered, or leased from the board shall, unless otherwise authorized by the board, be operated only under such registry or enrollment and license. Such vessels while employed solely as merchant vessels shall be subject to all laws, regulations, and liabilities governing merchant vessels, whether the United States be interested therein as owner in whole or in part, or hold any mortgage, lien, or other interest therein. No such vessel, without the approval of the board, shall be transferred to a foreign registry or flag, or sold; nor, except under regulations prescribed by the board, be chartered or leased.

When the United States is at war, or during any national emergency the existence of which is declared by proclamation of the President, no vessel registered or enrolled and licensed under the laws of the United States shall, without the approval of the board, be sold, leased, or chartered to any person not a citizen of the United States, or transferred to a foreign registry or flag. No vessel registered or enrolled and licensed under the laws of the United States, or owned by any person, a citizen of the United States, except one which the board is prohibited from purchasing, shall be sold to any person not a citizen of the United States or transferred to a foreign registry or flag, unless such vessel is first tendered to the board at the price in good faith offered by others, or, if no such offer, at a fair price to be determined in the manner provided in section ten.

Any vessel sold, chartered, leased, transferred, or operated in violation of this section shall be forfeited to the United States, and whoever violates any provision of this section shall be guilty of a misdemeanor and subject to a fine of not more than \$5,000 or to imprisonment of not more than five years, or both such fine and imprisonment.

*May Take Possession for Naval or Military Purposes.*

Sec. 10. That the President, upon giving to the person interested such reasonable notice in writing as in his judgment the circumstances permit, may take possession, absolutely or temporarily, for any naval or military purpose, of any vessel purchased, leased, or chartered from the board: *Provided*, That if, in the judgment of the President, an emergency exists requiring such action he may take possession of any such vessel without notice.

Thereafter, upon ascertainment by agreement or otherwise, the United States shall pay the person interested the fair actual value based upon normal conditions at the time of taking of the interest of such person in every vessel taken absolutely, or if taken for a limited period, the fair charter value under normal conditions for such period. In case of disagreement as to such fair value it shall be determined by appraisers, one to be appointed by the board, one by the person interested, and a third by the two so appointed. The finding of such appraisers shall be final and binding upon both parties.

*Board May Form One or More Corporations—Total Capital \$50,000,000.*

Sec. 11. That the board, if in its judgment such action is necessary to carry out the purposes of this Act, may form under the laws of the District of Columbia one or more corporations for the purchase, construction, equipment, lease, charter, maintenance, and operation of merchant vessels in the commerce of the United States. The total capital stock thereof shall not exceed \$50,000,000. The board may, for and on behalf of the United States, subscribe to, purchase, and vote not less than a majority of the capital stock of any such corporation, and do all other things in regard thereto necessary to protect the interests of the United States and to carry out the purposes of this Act. The board, with the approval of the President, may sell any or all of the stock of the United States in such corporation, but at no time shall it be a minority stockholder therein: *Provided*, That no corporation in which the United States is a stockholder, formed under the authority of this section, shall engage in the operation of any vessel constructed, purchased, leased, chartered, or transferred under the authority of this Act unless the board shall be unable, after a bona fide effort, to contract with any person, a citizen of the United States for the purchase, lease, or charter of such vessel under such terms and conditions as may be prescribed by the board.

The board shall give public notice of the fact that vessels are offered and the terms and conditions upon which a contract will be made, and shall invite competitive offerings. In the event the board shall, after full compliance with the terms of this proviso, determine that it is unable to enter into a contract with such private parties for the purchase, lease, or charter of such vessel, it shall make a full report to the President, who shall examine such report, and if he shall approve the same he shall make an order declaring that the conditions have been found to exist which justify the operation of such vessel by a corporation formed under the provisions of this section.



*Corporation to Be Dissolved Five Years After War.*

At the expiration of five years from the conclusion of the present European war the operation of vessels on the part of any such corporation in which the United States is then a stockholder shall cease and the said corporation stand dissolved. The date of the conclusion of the war shall be declared by proclamation of the President. The vessels and other property of any such corporation shall revert to the board. The board may sell, lease, or charter such vessels as provided in section seven and shall dispose of the property other than vessels on the best available terms and, after payment of all debts and obligations, deposit the proceeds thereof in the Treasury to its credit. All stock in such corporations owned by others than the United States at the time of dissolution shall be taken over by the board at a fair and reasonable value and paid for with funds to the credit of the board. In case of disagreement, such value shall be determined in the manner provided in section ten.

*Marine Insurance to Aid Merchant Marine.*

Sec. 12. That the board shall investigate the relative cost of building merchant vessels in the United States and in foreign maritime countries, and the relative cost, advantages, and disadvantages of operating in the foreign trade vessels under United States registry and under foreign registry. It shall examine the rules under which vessels are constructed abroad and in the United States, and the methods of classifying and rating same, and it shall examine into the subject of marine insurance, the number of companies in the United States, domestic and foreign, engaging in marine insurance, the extent of the insurance on hulls and cargoes placed or written in the United States, and the extent of reinsurance of American maritime risks in foreign companies, and ascertain what steps may be necessary to develop an ample marine insurance system as an aid in the development of an American merchant marine. It shall examine the navigation laws of the United States and the rules and regulations thereunder, and make such recommendations to the Congress as it deems proper for the amendment, improvement, and revision of such laws, and for the development of the American merchant marine. It shall investigate the legal status of mortgage loans on vessel property, with a view to means of improving the security of such loans and of encouraging investment in American shipping.

It shall, on or before the first day of December in each year, make a report to the Congress, which shall include its recommendations and the results of its investigations, a summary of its transactions, and a statement of all expenditures and receipts under this Act, and of the operations of any corporation in which the United States is a stockholder, and the names and compensation of all persons employed by the board.

*\$50,000,000 Panama Canal Bonds May Be Issued.*

Sec. 13. That for the purpose of carrying out the provisions of sections five and eleven no liability shall be incurred exceeding a total of \$50,000,000 and the Secretary of the Treasury, upon the request of the board, approved by the President, shall from time to time issue and sell or use any of the bonds of the United States now available in the Treasury under the Acts of August fifth, nineteen hundred and nine, February fourth, nineteen hundred and ten, and March second, nineteen hundred and eleven, relating to the issue of bonds for the construction of the Panama Canal, to a total amount not to exceed \$50,000,000: *Provided*, That any bonds issued and sold or used under the provisions of this section may be made payable at such time within fifty years after issue as the Secretary of the Treasury may fix, instead of fifty years after the date of issue, as prescribed in the Act of August fifth, nineteen hundred and nine.

The proceeds of such bonds and the net proceeds of all sales, charters, and leases of vessels and of sales of stock made by the board, and all other moneys received by it from any source, shall be covered into the Treasury to the credit of the board, and are hereby permanently appropriated for the purpose of carrying out the provisions of sections five and eleven.

*Combinations, Agreements, &c. Forbidden.*

Sec. 14. That no common carrier by water shall directly or indirectly—

First. Pay, or allow, or enter into any combination, agreement, or understanding, express or implied, to pay or allow, a deferred rebate to any shipper. The term "deferred rebate" in this Act means a return of any portion of the freight money by a carrier to any shipper as a consideration for the giving of all or any portion of his shipments to the same or any other carrier, or for any other purpose, the payment of which is deferred beyond the completion of the service for which it is paid, and is made only if, during both the period for which computed and the period of deferment, the shipper has complied with the terms of the rebate agreement or arrangement.

Second. Use a fighting ship either separately or in conjunction with any other carrier, through agreement or otherwise. The term "fighting ship" in this Act means a vessel used in a particular trade by a carrier or group of carriers for the purpose of excluding, preventing, or reducing competition by driving another carrier out of said trade.

Third. Retaliate against any shipper by refusing, or threatening to refuse, space accommodations when such are available, or resort to other discriminating or unfair methods, because such shipper has patronized any other carrier or, has filed a complaint charging unfair treatment, or for any other reason.

Fourth. Make any unfair or unjustly discriminatory contract with any shipper based on the volume of freight offered, or unfairly treat or unjustly discriminate against any shipper in the matter of (a) cargo space accommodations or other facilities, due regard being had for the proper loading of the vessel and the available tonnage; (b) the loading and the landing of freight in proper condition; or (c) the adjustment and settlement of claims.

Any carrier who violates any provision of this section shall be guilty of a misdemeanor punishable by a fine of not more than \$25,000 for each offense.

*Existing Agreements Unlawful Unless Approved By Board.*

Sec. 15. That every common carrier by water, or other person subject to this Act, shall file immediately with the board a true copy, or, if oral, a true and complete memorandum, of every agreement with another such carrier or other person subject to this Act, or modification or cancellation thereof, to which it may be a party or conform in whole or in part, fixing or regulating transportation rates or fares; giving or receiving special rates, accommodations, or other special privileges or advantages; controlling, regulating, preventing, or destroying competition; pooling or apportioning earnings, losses, or traffic; allotting ports or restricting or otherwise regulating the number and character of sailings between ports; limiting or regulating in any way the volume or character of freight or passenger traffic to be carried; or in any manner providing for an exclusive, preferential, or co-operative working arrangement. The term "agreement" in this section includes understandings, conferences, and other arrangements.

The board may by order disapprove, cancel, or modify any agreement, or any modification or cancellation thereof, whether or not previously approved by it, that it finds to be unjustly discriminatory or unfair as between carriers, shippers, exporters, importers, or ports, or between exporters from the United States and their foreign competitors, or to operate to the detriment of the commerce of the United States, or to be in violation of this Act, and shall approve all other agreements, modifications, or cancellations.

Agreements existing at the time of the organization of the board shall be lawful until disapproved by the board. It shall be unlawful to carry out any agreement or any portion thereof disapproved by the board.

All agreements, modifications, or cancellations made after the organization of the board shall be lawful only when and as long as approved by the board, and before approval or after disapproval it shall be unlawful to carry out in whole or in part, directly or indirectly, any such agreement modification, or cancellation.

*Excepted from Operation of Anti-Trust Law.*

Every agreement, modification, or cancellation lawful under this section shall be excepted from the provisions of the Act approved July second, eighteen hundred and ninety, entitled "An Act to protect trade and commerce against unlawful restraints and monopolies," and amendments and Acts supplementary thereto, and the provisions of sections seventy-three to seventy-seven, both inclusive, of the Act approved August twenty-seventh, eighteen hundred and ninety-four, entitled "An Act to reduce taxation, to provide revenue for the Government, and for other purposes," and amendments and Acts supplementary thereto.

Whoever violates any provision of this section shall be liable to a penalty of \$1,000 for each day such violation continues, to be recovered by the United States in a civil action.

Sec. 16. That it shall be unlawful for any common carrier by water, or other person subject to this Act, either alone or in conjunction with any other person, directly or indirectly—

*Undue Preference or Advantage Prohibited.*

First. To make or give any undue or unreasonable preference or advantage to any particular person, locality, or description of traffic in any respect whatsoever, or to subject any particular person, locality, or description of traffic to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

Second. To allow any person to obtain transportation for property at less than the regular rates then established and enforced on the line of such carrier, by means of false billing, false classification, false weighing, false report of weight, or by any other unjust or unfair device or means.

Third. To induce, persuade, or otherwise influence any marine insurance company or underwriter, or agent thereof, not to give a competing carrier by water as favorable a rate of insurance on vessel or cargo, having due regard to the class of vessel or cargo, as is granted to such carrier or other person subject to this Act.

Sec. 17. That no common carrier by water in foreign commerce shall demand, charge, or collect any rate, fare, or charge which is unjustly discriminatory between shippers or ports, or unjustly prejudicial to exporters of the United States as compared with their foreign competitors. Whenever the board finds that any such rate, fare, or charge is demanded, charged, or collected it may alter the same to the extent necessary to correct such unjust discrimination or prejudice and make an order that the carrier shall discontinue demanding, charging, or collecting any such unjustly discriminatory or prejudicial rate, fare, or charge.

Every such carrier and every other person subject to this Act shall establish, observe, and enforce just and reasonable regulations and practices relating to or connected with the receiving, handling, storing, or delivering of property. Whenever the board finds that any such regulation or practice is unjust or unreasonable it may determine, prescribe, and order enforced a just and reasonable regulation or practice.

*Board May Fix Rates.*

Sec. 18. That every common carrier by water in inter-State commerce shall establish, observe, and enforce just and reasonable rates, fares, charges, classifications, and tariffs, and just and reasonable regulations and practices relating thereto and to the issuance, form, and substance of tickets, receipts, and bills of lading, the manner and method of presenting, marking, packing, and delivering property for transportation, the carrying of personal, sample, and excess baggage, the facilities for transportation, and all other matters relating to or connected with the receiving, handling, transporting, storing, or delivering of property.

Every such carrier shall file with the board and keep open to public inspection, in the form and manner and within the time prescribed by the board, the maximum rates, fares, and charges for or in connection with transportation between points on its own route; and if a through route has been established, the maximum rates, fares, and charges for or in connection with transportation between points on its own route and points on the route of any other carrier by water.

No such carrier shall demand, charge, or collect a greater compensation for such transportation than the rates, fares, and charges filed in compliance with this section, except with the approval of the board and after ten days public notice in the form and manner prescribed by the board, stating the increased proposed to be made; but the board for good cause shown may waive such notice.

Whenever the board finds that any rate, fare, charge, classification, tariff, regulation, or practice, demanded, charged, collected, or observed by such carrier is unjust or unreasonable, it may determine, prescribe, and order enforced a just and reasonable maximum rate, fare, or charge, or a just and reasonable classification, tariff, regulation, or practice.

*Reduce Rates to Stifle Competition May Not Be Raised Again Without Consent of Board.*

Sec. 19. That whenever a common carrier by water in inter-State commerce reduces its rates on the carriage of any species of freight to or from competitive points below a fair and remunerative basis with the intent of driving out or otherwise injuring a competitive carrier by water, it shall not increase such rates unless after hearing the board finds that such proposed increase rests upon changed conditions other than the elimination of said competition.

*Information May Not Be Disclosed.*

Sec. 20. That it shall be unlawful for any common carrier by water or other person subject to this Act, or any officer, receiver, trustee, lessee, agent, or employee of such carrier or person, or for any other person authorized by such carrier or person to receive information, knowingly to disclose to or permit to be acquired by any person other than the shipper or consignee without the consent of such shipper or consignee, any information concerning the nature, kind, quantity, destination, consignee, or routing of any property tendered or delivered to such common carrier or other person subject to this Act for transportation in inter-State or foreign commerce, which information may be used to the detriment or prejudice of such shipper or consignee, or which may improperly disclose his business transactions to a competitor, or which may be used to the detriment or prejudice of any carrier; and it shall also be unlawful for any person to solicit or knowingly receive any such information which may be so used.

Nothing in this Act shall be construed to prevent the giving of such information in response to any legal process issued under the authority of any court, or to any officer or agent of the Government of the United States, or of any State, Territory, District, or possession thereof, in the exercise of his powers, or to any officer or other duly authorized person seeking such information for the prosecution of persons charged with or suspected of crime, or to another carrier, or its duly authorized agent, for



the purpose of adjusting mutual traffic accounts in the ordinary course of business of such carriers.

#### Board May Require Reports.

Sec. 21. That the board may require any common carrier by water, or other person subject to this Act, or any officer, receiver, trustee, lessee, agent, or employee thereof, to file with it any periodical or special report, or any account, record, rate, or charge, or any memorandum of any facts and transactions appertaining to the business of such carrier or other person subject to this Act. Such report, account, record, rate, charge, or memorandum shall be under oath whenever the board so requires, and shall be furnished in the form and within the time prescribed by the board. Whoever fails to file any report, account, record, rate, charge, or memorandum as required by this section shall forfeit to the United States the sum of \$100 for each day of such default.

Whoever willfully falsifies, destroys, mutilates, or alters any such report, account, record, rate, charge, or memorandum, or willfully files a false report, account, record, rate, charge, or memorandum shall be guilty of a misdemeanor, and subject upon conviction to a fine of not more than \$1,000, or imprisonment for not more than one year, or to both such fine and imprisonment.

#### Board to Hear Complaints and Make Orders.

Sec. 22. That any person may file with the board a sworn complaint setting forth any violation of this Act by a common carrier by water, or other person subject to this Act, and asking reparation for the injury, if any, caused thereby. The board shall furnish a copy of the complaint to such carrier or other person, who shall, within a reasonable time specified by the board, satisfy the complaint or answer it in writing. If the complaint is not satisfied the board shall except as otherwise provided in this Act, investigate it in such manner and by such means, and make such order as it deems proper. The board, if the complaint is filed within two years after the cause of action accrued, may direct the payment, on or before a day named, of full reparation to the complainant for the injury caused by such violation.

The board, upon its own motion, may in like manner and, except as to orders for the payment of money, with the same powers, investigate any violation of this Act.

Sec. 23. Orders of the board relating to any violation of this Act shall be made only after full hearing, and upon a sworn complaint or in proceedings instituted of its own motion.

All orders of the board other than for the payment of money made under this Act shall continue in force for such time, not exceeding two years, as shall be prescribed therein by the board, unless suspended, modified, or set aside by the board or any court of competent jurisdiction.

Sec. 24. That the board shall enter of record a written report of every investigation made under this Act in which a hearing has been held, stating its conclusions, decision, and order, and, if reparation is awarded, the findings of fact on which the award is made, and shall furnish a copy of such report to all parties to the investigation.

The board may publish such reports in the form best adapted for public information and use, and such authorized publications shall, without further proof or authentication, be competent evidence of such reports in all courts of the United States and of the States, Territories, Districts, and possessions thereof.

Sec. 25. That the board may reverse, suspend, or modify, upon such notice and in such manner as it deems proper, any order made by it. Upon application of any party to a decision or order it may grant a rehearing of the same or any matter determined therein, but no such application for or allowance of a rehearing shall, except by special order of the board, operate as a stay of such order.

#### To Investigate Action of Foreign Governments.

Sec. 26. The board shall have power, and it shall be its duty whenever complaint shall be made to it, to investigate the action of any foreign Government with respect to the privileges afforded and burdens imposed upon vessels of the United States engaged in foreign trade whenever it shall appear that the laws, regulations, or practices of any foreign Government operate in such manner that vessels of the United States are not accorded equal privileges in foreign trade with vessels of such foreign countries or vessels of other foreign countries, either in trade to or from the ports of such foreign country or in respect of the passage or transportation through such foreign country of passengers or goods intended for shipment or transportation in such vessels of the United States, either to or from ports of such foreign country or to or from ports of other foreign countries. It shall be the duty of the board to report the results of its investigation to the President with its recommendations and the President is hereby authorized and empowered to secure by diplomatic action equal privileges for vessels of the United States engaged in such foreign trade. And if by such diplomatic action the President shall be unable to secure such equal privileges then the President shall advise Congress as to the facts and his conclusions by special message, if deemed important in the public interest, in order that proper action may be taken thereon.

#### Board May Compel Attendance of Witnesses and Production of Books.

Sec. 27. That for the purpose of investigating alleged violations of this Act, the board may by subpoena compel the attendance of witnesses and the production of books, papers, documents, and other evidence from any place in the United States at any designated place of hearing. Subpoenas may be signed by any commissioner, and oaths or affirmations may be administered, witnesses examined, and evidence received by any commissioner or examiner, or, under the direction of the board, by any person authorized under the laws of the United States or of any State, Territory, District, or possession thereof to administer oaths. Persons so acting under the direction of the board and witnesses shall, unless employees of the board, be entitled to the same fees and mileage as in the courts of the United States. Obedience to any such subpoena shall, on application by the board, be enforced as are orders of the board other than for the payment of money.

Sec. 28. That no person shall be excused, on the ground that it may tend to incriminate him or subject him to a penalty of forfeiture, from attending and testifying, or producing books, papers, documents, and other evidence, in obedience to the subpoena of the board or of any court in any proceeding based upon or growing out of any alleged violation of this Act; but no natural person shall be prosecuted or subjected to any penalty of forfeiture for or on account of any transaction, matter, or thing as to which, in obedience to a subpoena and under oath, he may so testify or produce evidence, except that no person shall be exempt from prosecution and punishment for perjury committed in so testifying.

#### Suits to Compel Obedience to Board's Orders &c.

Sec. 29. That in case of violation of any order of the board, other than an order for the payment of money, the board, or any party injured by such violation, or the Attorney-General, may apply to a district court having jurisdiction of the parties; and if, after hearing, the court determines that the order was regularly made and duly issued, it shall enforce obedience thereto by a writ of injunction or other proper process, mandatory or otherwise.

Sec. 30. That in case of violation of any order of the board for the payment of money the person to whom such award was made may file in the district court for the district in which such person resides, or in which is located any office of the carrier or other person to whom the order was directed, or in which is located any point of call on a regular route operated by the carrier, or in any court of general jurisdiction of a State, Territory, District, or possession of the United States having jurisdiction of the parties, a petition or suit setting forth briefly the causes for which he claims damages and the order of the board in the premises.

In the district court the findings and order of the board shall be prima facie evidence of the facts therein stated, and the petitioner shall not be liable for costs, nor shall he be liable for costs at any subsequent stage of the proceedings unless they accrue upon his appeal. If a petitioner in a district court finally prevails, he shall be allowed a reasonable attorney's fee, to be taxed and collected as part of the costs of the suit.

All parties in whose favor the board has made an award of reparation by a single order may be joined as plaintiffs, and all other parties to such order may be joined as defendants, in a single suit in any district in which any one such plaintiff could maintain a suit against any one such defendant. Service of process against any such defendant not found in that district may be made in any district in which is located any office of, or point of call on a regular route operated by, such defendant. Judgment may be entered in favor of any plaintiff against the defendant liable to that plaintiff.

No petition or suit for the enforcement of an order for the payment of money shall be maintained unless filed within one year from the date of the order.

#### Proceedings To Be The Same As in Case of Orders of Inter-State Commerce Commission.

Sec. 31. That the venue and procedure in the courts of the United States in suits brought to enforce, suspend, or set aside, in whole or in part, any order of the board shall, except as herein otherwise provided, be the same as in similar suits in regard to orders of the Inter-State Commerce Commission, but such suits may also be maintained in any district court having jurisdiction of the parties.

Sec. 32. That whoever violates any provision of this Act, except where a different penalty is provided, shall be guilty of a misdemeanor, punishable by fine of not to exceed \$5,000.

Sec. 33. That this Act shall not be construed to affect the power or jurisdiction of the Inter-State Commerce Commission, nor to confer upon the board concurrent power or jurisdiction over any matter within the power or jurisdiction of such commission; nor shall this Act be construed to apply to intra-State commerce.

#### If Part of Law is Held Unconstitutional Rest is to Stand.

Sec. 34. That if any provision of this Act, or the application of such provision to certain circumstances, is held unconstitutional, the remainder of the Act, and the application of such provision to circumstances other than those as to which it is held unconstitutional, shall not be affected thereby.

Sec. 35. That for the fiscal year ending June thirtieth, nineteen hundred and seventeen, the sum of \$100,000 is hereby appropriated, out of any moneys in the Treasury of the United States not otherwise appropriated, for the purpose of defraying the expenses of the establishment and maintenance of the board, including the payment of salaries herein authorized.

#### Secretary of Treasury May Refuse Clearance to Vessels Declining to Accept Freight.

Sec. 36. The Secretary of the Treasury is authorized to refuse a clearance to any vessel or other vehicle laden with merchandise destined for a foreign or domestic port whenever he shall have satisfactory reason to believe that the master, owner, or other officer of such vessel or other vehicle refuses or declines to accept or receive freight or cargo in good condition tendered for such port of destination or for some intermediate port of call, together with the proper freight or transportation charges therefor, by any citizen of the United States, unless the same is fully laden and has no space accommodations for the freight or cargo so tendered, due regard being had for the proper loading of such vessel or vehicle, or unless such freight or cargo consists of merchandise for which such vessel or vehicle is not adaptable.

Approved, September 7 1916.

### COURSE IN BOND SALESMANSHIP.

The Wall Street Branch of New York University has made arrangements with Dr. Herbert W. Hess, Professor of Salesmanship, Wharton School, Philadelphia, to give a thirty weeks course in the selling of bonds and securities. The first meeting of this course will be in the Stock Exchange Smoking Room, Thursday evening, October 19th. A large number is said to have already enrolled in this course. Information regarding the course may be obtained by addressing A. W. Taylor, director, Room 519, 25 Broad Street, telephone Broad 824.

### BANKING, LEGISLATIVE AND FINANCIAL NEWS.

The public sales of bank stocks this week aggregate 91 shares, of which 80 shares were sold at the Stock Exchange and 11 shares at auction. No trust company stocks were sold. A sale of 5 shares of Bank of the Manhattan Co. stock was made at 321, this being the first public transaction in the stock since May 1915 when the price recorded was 310.

Shares.	BANKS—New York.	Low.	High.	Close.	Last previous sale.
*30	Commerce, National Bank of.	175	176	176	Oct. 1916—174
5	Manhattan Co., Bank of the.	321	321	321	May 1915—310
6	New York, N.B.A., Bank of.	396½	396½	396½	June 1916—400

\* Sold at the Stock Exchange.

Four New York Stock Exchange memberships were sold this week, two at \$74,000 and two at \$74,500. The latter represents the last sale price and is an increase of \$4,500 over the preceding transaction.

To-day, accompanying this issue of the "Chronicle," our readers throughout the world will receive a copy of the "American Bankers' Convention Section" or Supplement—our annual report of the addresses and proceedings of the



1916 meeting of the American Bankers' Association, held in Kansas City. This annual record of the largest meeting of bankers held in this country is the present year attractively printed in color, and is an exact record of the important discussions on the leading banking questions of the day. We are sure that our readers will be interested in the national expression of views and action taken at the annual convention, which in so large a measure shapes the temper and thought of the legislative and financial methods of the banking business in the United States. The "Chronicle" takes pride in the representative standing and prominence of the notable array of banking firms and financial institutions in this year-book. The display announcements of these advertisers should, we think, commend themselves to the attention of our readers. The four points of the globe are represented in our advertising pages by the leading banking organizations, as well as the major portion of this country's progressive investment houses and banking institutions.

To comply with the requirements of the provisions of the recently enacted Clayton Act, which forbids the interlocking of directorates, Francis L. Hine, President of the First National Bank of this City, has resigned from the board of the Chase National Bank. For the same reason four resignations have recently taken place in the board of the National Bank of Commerce in New York, namely, Harry P. Whitney, Daniel Guggenheim, Alvin W. Kreeh and Paul D. Cravath.

James Brown Mabon and Ogden L. Mills were elected directors of the Bank of New York, N. B. A., at a meeting of the directors on the 10th inst. Mr. Mabon is a member of the Governing Committee of the New York Stock Exchange.

Murray W. Ferris, President of the manufacturing firm of Ferris Bros. Company, of 48 East 21st Street, this city, was elected a director of the Pacific Bank of this city at a meeting of the board on the 11th inst.

With the closing of a lease on Oct. 10 for a large portion of the second floor of the Equitable Building, the establishment of a new private banking concern in this city became known. The rentals involved in the lease are said to be in the neighborhood of \$250,000. The new concern will be known as W. J. Wollman & Co., and will have as its head W. J. Wollman, formerly senior partner in the firm of J. S. Bache & Co. Mr. Wollman retired from banking affairs last year, and only recently decided to re-enter the financial realm. Those who will be associated with Mr. Wollman in his new firm have definitely been decided upon, but announcement of the partners will not be made at present, as the firm does not contemplate beginning business before Jan. 1. Mr. Wollman has been a member of the New York Stock Exchange since April 5 1900.

The State Banking Department has approved the change of location of the International Bank of New York, now at 60 Wall Street, to the Whitehall Building, 17 Battery Place. This bank, as noted in our issue of Aug. 19, has leased the ground floor of the Whitehall Building, where it will make its new quarters in the near future.

At a meeting of the trustees of the Franklin Trust Co. of Brooklyn and New York, last Thursday, Philip L. Watkins was appointed an Assistant Secretary. He will be located in the company's main office at 166 Montague Street, Brooklyn. Mr. Watkins received his trust company training in the United States Trust Co., of this city, with which he had been connected for the past ten years. He is a resident of Brooklyn, a member of the Real Estate Board of Brokers, and is well known in Brooklyn church and club circles.

Arthur Koch, formerly connected with the New York State National Bank, of Albany, and also with the Manufacturers' National Bank of Troy, N. Y., has been chosen Cashier of the First National Bank of Amsterdam, N. Y., to succeed George B. Wilkinson, who has resigned from that capacity to become a national bank examiner.

The Citizens Commercial Trust Co., of Buffalo, N. Y., began business on Oct. 2 in its new offices in Ellicott Square. It formerly had its quarters at William and Sherman streets. President William H. Crosby and Joseph Block, Chairman of the Board of the Citizens Commercial tendered a dinner

on the 2nd to the officers, directors, clerks and the advisory committees of the branches maintained by their institution in different parts of the city, in commemoration of the opening of the new quarters of the bank.

Col. Louis R. Cheney of Hartford, Conn., was elected a trustee of the Hartford Trust Co. at a regular meeting of the company on the 5th inst., to fill the vacancy caused by the resignation of Col. Francis T. Maxwell of Rockville. Col. Maxwell resigned on account of the Federal Reserve Act, which prohibits his acting as a trustee or director in two banks. He is the President of the Rockville National Bank.

At a regular meeting of the directors of the Blackstone Canal National Bank of Providence, on the 9th inst., the resignation of Col. Frank W. Matteson as President of the bank and a member of the board of directors, and that of William L. Hodgman as a director were accepted to take effect after bank hours on the 14th inst. William A. Viall and Albert R. Plant were elected for the retiring directors' terms to fill the vacancies. Albert R. Plant was elected President and Charles P. Brown was appointed Cashier.

Because of the recently enacted Clayton Law, which forbids the interlocking of directorates, Walter Scott and Charles Class, President and Vice-President, respectively, of the Tenth National Bank of Philadelphia, have resigned from the board of directors of the Columbia Avenue Trust Co., while Sylvester A. Leith, President of the Columbia Avenue Trust Co., has given up his membership on the board of directors of the Tenth National Bank.

Thomas De Witt Cuyler, President of the Commercial Trust Co.; George H. Frazier, of Brown Bros. & Co., and Edward B. Smith, of Edward B. Smith & Co., resigned from the board of the Franklin National Bank at a meeting of that body on the 9th.

F. R. Hammett, Vice-President of the firm of Crew, Levick & Co., oil refiners and producers, of Philadelphia, has become a director in the Robert Morris Trust Co., and Jacob Netter of Philadelphia has been elected to the board of the Bank of Commerce of that city; William P. Barba and John J. Collier have been chosen directors of the Northern Trust Co.

The Ridgeley National Bank of Springfield, Ill., at a regular meeting of its directors on Oct. 2, transferred \$50,000 of the undivided profits to surplus, increasing the amount to \$150,000. The bank has a capital of \$300,000 and undivided profits of \$28,814. Deposits on Sept. 30 1916 amounted to \$2,676,346 and the amount of cash on hand and due from other banks was \$664,318. The Ridgeley National Bank was organized in September 1866 and has just completed a half century of business life. William Ridgeley, President of the bank, was Cashier for the first twenty-two years of the bank's organization and has held the Presidency of the institution for the past twenty-eight years.

The Interstate Trust Company of Denver has purchased the nine-story Continental Building, at the corner of 16th and Lawrence streets, where it will make its home after the lease on its present site expires next year. The purchase price of the building is reported as \$400,000. According to the "Denver News," the trust company, dealing through the Cass-Bishop Investment Co. of Denver, purchased for \$100,000 the stock of the Continental Building Co. and assumed a bonded indebtedness of \$300,000. The building was erected in 1890 by the Peoples National Bank of Denver. The Interstate Trust Co. has a capital of \$200,000 and has as President F. N. Briggs.

August E. Brooker has resigned as Cashier of the Manchester Bank of St. Louis to manage the investments of Sir John Eaton of Toronto. Mr. Brooker had been Cashier of the bank since its organization fourteen years ago. Theodore H. Sievert, heretofore Assistant Cashier, succeeds him as Cashier.

John M. Miller Jr., First Vice-President of the First National Bank of Richmond, Va., was elected to the Presidency of that institution at a meeting of the directors on the 4th inst., to succeed the late Colonel John B. Purcell. With Mr.



Miller's elevation to the headship of the bank, W. M. Addison, Cashier, has been named to the dual post of First-Vice-President and Cashier. C. R. Burnett, Assistant Cashier, becomes Second Vice-President. Mr. Miller has had extensive banking experience, having entered the financial field in 1883, in Lynchburg. He became Cashier of the First National Bank of Buchanan in 1890, and in 1893 was chosen a national bank examiner. Two years later, in 1895, he relinquished that position to become Cashier of the Merchants & Farmers National Bank of Charlotte, N. C.; in 1902 he was elected Vice-President and Cashier of the First National Bank of Richmond, Va. When the National Bank of Virginia was consolidated with the First National in 1912, he was chosen Vice-President of the latter. Besides his connection with the First National, Mr. Miller is also Vice-President of the Virginia Trust Co. of Richmond and a director of the Life Insurance Co. of Virginia. Mr. Addison, the new Vice-President, has been connected with Richmond banking affairs since 1894, when he entered the employ of the old Citizens' Bank of Richmond. This institution was later reorganized and operated as the Citizens' Exchange Bank; it was consolidated with the National Bank of Virginia in 1899. In 1904 Mr. Addison was chosen Cashier of the latter, becoming Cashier of the First National Bank in 1912, at the time of the consolidation of the two. Mr. Addison is Vice-President of the Virginia Bankers' Association. The First National Bank is now capitalized at \$2,000,000 and has surplus and profits of over \$1,200,000.

Charles B. Lewis, President of the Fourth National Bank of Macon, Ga., and President E. W. Stetson of the Citizens' National Bank, jointly announced on Oct. 10 that negotiations for a merger had been closed between the two banks. The Fourth National takes over the Citizens' at a price of \$150 a share for the common stock, paying a premium of \$50 over the par value of \$100 on outright purchase of two-thirds of the stock. The enlarged bank will continue business under the name of the Fourth National Bank and will be headed by Charles B. Lewis as President and E. W. Stetson as Chairman of the board of directors. John M. Ross, Cashier of the Citizens' National, has been chosen Assistant to the President of the united bank. The board of the Fourth will be enlarged so as to take over the directors of the Citizens National. The Fourth National had a capital of \$300,000, while that of the Citizens' was \$250,000. Combined deposits total over \$6,000,000. The employees of the Citizens National are all retained by the Fourth. The Citizens' National started business in 1908 with a capital of \$250,000, while the Fourth National organized in 1906 with a like amount of capital.

M. H. Sterne of Birmingham, Ala., has withdrawn as Treasurer of the Realty Trust Co. of Birmingham and as Assistant Cashier of the Traders' National Bank, and has organized the M. H. Sterne Company, which will deal in first mortgage loans on desirable Alabama real estate, act as broker in the purchase and sale of high grade securities, and place short-term loans on stocks, bonds and warehoused commodities.

#### THE ENGLISH GOLD AND SILVER MARKETS.

We reprint the following from the weekly circular of Samuel Montagu & Co. of London, written under date of Sept. 21 1916:

##### GOLD.

The holding of gold by the Bank of England against notes has decreased by £159,930. During the week over £4,600,000 of gold has been received by the United States of America from Canada.

##### SILVER.

The tone of the silver market is really much better than would appear from the recent movements in price, although these have been distinctly favorable. At times, it is true, there have been slight reactions, but they have been small and of very short duration, while each rise has been towards a higher level. To-day, for instance, the price, 32½, is the highest point reached since the commencement of June. The leading features of the week have been first and foremost a sharp fall in the holding of silver rupees by the Indian treasuries, amounting to close on two Crores. This fall has been continuous since the end of July, and has taken place in spite of the large amount of fresh silver that has been coined by the Indian mints. The movements in the China exchange have also been favorable to silver, and sales of sycee from that quarter no longer leave a working margin. American supplies remain small. After a reaction to 32½d. on the 15th inst. the price advanced by movements of ½d. and 3-16d. to 32 11-16d. on the 18th, dropping to 32½d. on the 19th, at which figure it remained on the following day, and to-day the quotation is 32½d. The following is an extract from "The Industrial & Mining Age" of New York dated Sept. 4 1916: " \* \* \* there is every reason to believe that the United States Mint will be in the market more or less continuously for some time to come, especially in view of the fact that the holiday season is only 90 days distant and that quantities of small coins are always eagerly sought

by banks and commercial institutions about 30 days before Christmas." The last three Indian currency returns received by cable give details in lacs of rupees as follows:

	Aug. 31.	Sept. 7.	Sept. 15.
Notes in circulation	74.01	73.56	71.58
Reserve in silver coin and bullion	27.37	27.04	25.23
Gold coin and bullion	11.66	11.54	11.37
Gold in England	11.92	11.92	11.92

The stock in Bombay consists of 3,300 bars, as compared with 2,900 bars last week. The stock in Shanghai on Sept. 16 consisted of about 28,500,000 ounces of sycee and \$16,500,000, as compared with about 30,000,000 ounces in sycee and \$16,000,000 on Sept. 2 1916. No shipments were made from San Francisco this week. Quotations for bar silver per ounce standard.

Sept. 15	32½d. cash	No	Bank rate	6%
Sept. 16	32½d. "	quotation	Bar gold per ounce stand-	
Sept. 18	32 11-16 "	fixed	ard	77s. 9d.
Sept. 19	32½d. "	for		
Sept. 20	32½d. "	forward		
Sept. 21	32½d. "	delivery.		
Aver. for wk.	32.59			

The quotation to-day for cash is ¼d. above that fixed a week ago.

#### ENGLISH FINANCIAL MARKETS—PER CABLE.

The daily closing quotations for securities, &c., at London, as reported by cable, have been as follows the past week:

Week ending Oct. 13.	Oct. 7.	Oct. 9.	Oct. 10.	Oct. 11.	Oct. 12.	Oct. 13.
Silver, per oz.	32½	32½	32 5-16	32½	32 5-16	32 7-16
Consols, 2½ per cents.	59½	59½	59	58½	58½	57½
British 4½ per cents.	93½	93½	94½	94½	95	95½
French Rentes (in Paris), fr.	61.70	61.60	61.60	61.60	61.60	61.60
French War Loan, 5% (in Paris), fr.	90.00	90.00	90.00	90.00	90.00	90.00

The price of silver in New York on the same days has been:

Silver in N. Y., per oz.	cts. 68¼	67½	67½	67½	67½	67½
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#### TRADE AND TRAFFIC MOVEMENTS.

##### UNFILLED ORDERS OF STEEL CORPORATION.—

The United States Steel Corporation on Tuesday, Oct. 10, issued its regular monthly statement showing the unfilled orders on the books of the subsidiary corporations at the close of September. From this statement it appears that the aggregate of unfilled orders on Sept. 30 was 9,522,584 tons, a decrease of 137,773 tons from last month, when the amount of outstanding orders was 9,660,357 tons.

In the following we give the comparisons with the previous months:

	Tons.		Tons.		Tons.
Sept. 30 1916	9,522,584	Aug. 31 1914	4,213,331	July 31 1912	5,957,079
Aug. 31 1916	9,660,357	July 31 1914	4,158,589	June 30 1912	5,807,346
July 31 1916	9,593,592	June 30 1914	4,032,857	May 31 1912	6,750,983
June 30 1916	9,640,458	May 31 1914	3,998,160	Apr. 30 1912	6,664,885
May 31 1916	9,937,798	Apr. 30 1914	4,277,068	Mar. 31 1912	6,304,841
April 30 1916	9,829,551	Mar. 31 1914	4,653,825	Feb. 29 1912	5,454,201
Mar. 31 1916	9,331,001	Feb. 28 1914	5,026,440	Jan. 31 1912	5,379,721
Feb. 29 1916	8,568,966	Jan. 31 1914	4,813,630	Dec. 31 1911	5,084,765
Jan. 31 1916	7,922,767	Dec. 31 1913	4,282,103	Nov. 30 1911	4,141,958
Dec. 31 1915	7,806,220	Nov. 30 1913	4,396,347	Oct. 31 1911	3,694,327
Nov. 30 1915	7,189,489	Oct. 31 1913	4,513,767	Sept. 30 1911	3,611,315
Oct. 31 1915	6,165,452	Sept. 30 1913	5,003,785	Aug. 31 1911	3,695,985
Sept. 30 1915	5,317,618	Aug. 31 1913	5,223,468	July 31 1911	3,584,088
Aug. 31 1915	4,908,455	July 31 1913	5,399,356	June 30 1911	3,361,087
July 31 1915	4,925,540	June 30 1913	5,807,317	May 31 1911	3,113,154
June 30 1915	4,678,196	May 31 1913	6,324,322	April 30 1911	3,218,700
May 31 1915	4,204,598	Apr. 30 1913	6,978,762	Mar. 31 1911	3,447,301
Apr. 30 1915	4,162,244	Mar. 31 1913	7,468,956	Feb. 28 1911	3,400,543
Mar. 31 1915	4,255,749	Feb. 28 1913	7,656,714	Jan. 31 1911	3,110,919
Feb. 28 1915	4,345,471	Jan. 31 1913	7,827,368	Dec. 31 1910	2,674,750
Jan. 31 1915	4,248,671	Dec. 31 1912	7,932,164	Nov. 30 1910	2,760,413
Dec. 31 1914	3,836,643	Nov. 30 1912	7,852,863	Oct. 31 1910	2,871,949
Nov. 30 1914	3,324,592	Oct. 31 1912	7,594,381	Sept. 30 1910	3,168,106
Oct. 31 1914	3,461,097	Sept. 30 1912	6,551,507	Aug. 31 1910	3,537,128
Sept. 30 1914	3,787,667	Aug. 31 1912	6,163,375	July 31 1910	3,970,931

The figures prior to July 31 1910 were issued quarterly only. These, extending back to 1901, were given in the "Chronicle" of March 13 1915, page 876.

**ANTHRACITE COAL PRODUCTION.**—The shipments of anthracite coal for the month of September as reported to the Anthracite Bureau of Information at Wilkes-Barre, amounted to 5,544,076 tons, a decrease of 118,081 tons as compared with the corresponding month last year, but an increase of 12,279 tons over August 1916. "The shortage of labor and the small stocks of coal on hand," says the Bureau in its report, "together with a possible limited supply of cars, emphasize the fact that there may be a scarcity of coal this winter, especially if the winter proves to be a hard one. Conditions at the present time indicate that the mines will be operated full time during the winter months, unless the demand for coal should fall off considerably. This, of course, is not anticipated as the demand is far in excess of the supply." Below we give the shipments by the various carriers for Sept. 1916 and 1915, and for the 9 months ending Sept. 30:

Road—	September 1916.	1915.	Jan. 1 to Sept. 30—1916.	1915.
Philadelphia & Reading	1,071,303	895,718	9,394,704	7,995,805
Lehigh Valley	1,053,756	1,093,283	8,936,442	9,447,463
Central RR. of New Jersey	627,975	626,237	5,302,548	5,636,799
Delaware Lackawanna & Western	931,610	820,440	7,758,383	6,791,191
Delaware & Hudson	551,665	737,592	5,285,548	5,970,324
Pennsylvania	480,266	467,587	4,472,634	4,233,009
Erie	495,631	718,751	5,786,255	5,816,660
New York Ontario & Western	175,329	159,163	1,503,475	1,486,960
Lehigh & New England	156,541	143,386	1,490,427	1,177,829
Total	5,544,076	5,662,157	49,930,416	48,556,940

\*After deducting (to avoid duplication) tonnage delivered to the Central RR. of N. J. at Hauto by the Lehigh & New England RR. and included as part of the tonnage of the latter. This amounted to 92,084 tons in September 1916 and to 325,807 tons for the four months ending Sept. 30.

#### Commercial and Miscellaneous News

##### GOVERNMENT REVENUE AND EXPENDITURES.

—Through the courtesy of the Secretary of the Treasury, we are enabled to place before our readers to-day the details of



Government receipts and disbursements for August 1916 and 1915 and for the two months of the fiscal years 1916-17 and 1915-16.

	Sept. 1916.	Sept. 1915.	3 Months 1916.	3 Months 1915.
<b>Receipts—</b>				
Ordinary—				
Customs	10,831,433 43	14,923,639 89	49,836,271 93	45,689,823 53
Ordinary internal rev.	34,422,228 68	29,819,176 91	102,299,501 17	88,930,998 93
Income tax	1,932,238 33	1,043,473 92	11,803,847 93	11,045,101 55
Miscellaneous	4,355,315 29	3,818,732 97	20,553,629 66	10,994,136 92
<b>Total</b>	<b>57,591,263 76</b>	<b>49,605,023 76</b>	<b>184,493,250 79</b>	<b>156,660,030 93</b>
<b>Panama Canal—</b>				
Tolls, &c.	663,027 31	419,543 25	1,198,613 62	1,614,981 99
<b>Public Debt—</b>				
Sale of Pan. Canal bds.				
Sale of Postal Sav. bds.				
Deposits for retirement of nat. bank notes (Act of July 14 1890)	2,549,485 00	1,069,470 00	4,306,930 00	5,594,317 50
<b>Total</b>	<b>2,549,485 00</b>	<b>1,069,470 00</b>	<b>5,213,680 00</b>	<b>6,459,817 50</b>
<b>Grand total receipts</b>	<b>60,803,776 07</b>	<b>51,094,042 01</b>	<b>190,910,544 41</b>	<b>164,734,860 42</b>
<b>Disbursements—</b>				
Ordinary—				
Checks and warrants paid (less balances repaid, &c.)	82,977,182 68	62,316,282 74	234,691,576 08	190,014,024 49
<b>Panama Canal—</b>				
Checks paid (less balance repaid, &c.)	1,644,951 23	1,938,209 44	4,574,591 55	4,131,274 01
<b>Public Debt—</b>				
Bonds, int.-bear. notes & certificates retired	130 00	390 00	3,540 00	1,470 00
Nat. bank notes retired (Act of July 14 1890)	3,366,365 50	613,452 50	10,941,740 00	1,888,593 50
<b>Total</b>	<b>3,366,495 50</b>	<b>613,842 50</b>	<b>10,945,280 00</b>	<b>1,890,063 50</b>
<b>Grand total disbursements</b>	<b>87,988,629 41</b>	<b>64,868,334 68</b>	<b>250,211,447 63</b>	<b>196,035,362 00</b>
Excess of total disbursements over total receipts	27,184,853 34	13,774,292 67	59,300,903 22	31,300,501 58

**STOCK OF MONEY IN THE COUNTRY.**—The following table shows the general stock of money in the country, as well as the holdings by the Treasury and the amount in circulation on the dates given:

	—Stock of Money Oct. 1 '16—	—Money in Circulation—
	In U. S. Held in Treas. a	Oct. 1 '16. Oct. 1 '15.
Gold coin and bullion	2,636,009,568	275,579,465 644,900,316 615,977,722
Gold certificates b		1,520,740,269 1,172,277,599
Standard silver dollars	568,270,319	13,557,483 69,549,921 65,092,532
Silver certificates b		483,104,746 481,666,527
Subsidiary silver	189,869,616	11,396,107 178,473,509 162,097,370
Treasury notes of 1890		2,058,169 2,210,160
United States notes	346,681,016	4,232,944 342,448,072 337,714,481
Federal Reserve notes	215,248,350	2,702,945 212,545,405 132,765,275
Federal Reserve bank notes	10,000,000	46,935 9,953,065
National bank notes	733,310,213	18,562,470 714,747,743 760,503,092
<b>Total</b>	<b>4,699,389,082</b>	<b>326,078,349 4,178,521,215 3,730,304,758</b>

Population of continental United States estimated at 102,859,000. Circulation per capita, \$40.62.

a This statement of money held in the Treasury as assets of the Government does not include deposits of public money in Federal Reserve banks, and in national bank depositories to the credit of the Treasurer of the United States, amounting to \$73,493,178.21.

b For redemption of outstanding certificates and Treasury notes of 1890 an exact equivalent in amount of the appropriate kinds of money is held in the Treasury, and is not included in the account of money held as assets of the Government.

Note.—On Oct. 1 1916 Federal Reserve banks and Federal Reserve agents held against Federal Reserve notes \$10,581,518 gold coin and bullion and \$184,208,000 gold certificates—a total of \$194,789,518, against \$163,688,581 on Sept. 1 and \$128,003,413 on Oct. 1 1915.

**BANK NOTES—CHANGES IN TOTALS OF, AND IN DEPOSITED BONDS, &c.**—We give below tables which show all the monthly changes in bank notes and in bonds and legal tenders on deposit.

1915-16.	Bonds and Legal Tenders on Deposit for—		Circulation Afloat Under—		
	Bonds.	Legal Tenders.	Bonds.	Legal Tenders.	Total.
Sept. 30 1916.	\$ 687,931,240	\$ 48,900,332	\$ 684,409,881	\$ 48,900,332	\$ 733,310,213
Aug. 31 1916.	689,739,180	50,707,153	683,786,698	50,707,153	734,493,851
July 31 1916.	689,774,660	54,324,278	685,996,918	54,324,278	740,321,196
June 30 1916.	690,440,930	57,591,025	686,583,635	57,591,025	744,174,660
May 31 1916.	690,044,040	62,045,070	686,634,103	62,045,070	748,679,173
April 29 1916.	696,750,590	60,622,296	693,132,610	60,622,296	753,754,906
Mar. 31 1916.	715,154,190	55,706,278	702,730,413	55,706,278	758,436,691
Feb. 29 1916.	721,987,840	51,866,895	711,129,418	51,866,895	762,996,313
Jan. 31 1916.	724,194,340	47,468,578	718,923,490	47,468,578	766,392,068
Dec. 31 1915.	730,337,740	51,765,450	719,571,758	51,765,450	771,337,208
Nov. 30 1915.	731,552,032	55,677,100	723,688,553	55,677,100	776,365,651
Oct. 30 1915.	735,146,743	56,991,554	722,926,127	56,991,554	779,917,683
Sept. 30 1915.	735,793,393	63,794,876	722,941,584	63,794,876	786,736,461

o Of which \$172,203 miscellaneous securities, Act of May 30 1908.

z Of which \$171,203 miscellaneous securities, Act of May 30 1908.

a Of which \$55,492 miscellaneous securities, Act of May 30 1908.

The following shows the amount of each class of U. S. bonds held against national bank circulation and to secure public moneys held in national bank depositories on Sept. 30.

Bonds on Deposit Sept. 30 1916.	U. S. Bonds Held Sept. 30 to Secure—		
	On deposit to secure Federal Reserve Bank Notes.	On deposit to secure National Bank Notes.	Total Held.
2% U. S. Consols of 1930	\$ 8,952,500	\$ 567,602,500	\$ 576,555,000
3% U. S. Loan of 1908-18		16,070,680	16,070,680
4% U. S. Loan of 1925		26,189,400	26,189,400
2% U. S. Panama of 1936	204,500	50,217,020	50,421,520
2% U. S. Panama of 1938	243,000	27,851,640	28,094,640
<b>Total</b>	<b>9,400,000</b>	<b>687,931,240</b>	<b>697,331,240</b>

The following shows the amount of national bank notes afloat and the amount of legal-tender deposits Sept. 1 and Oct. 1 and their increase or decrease during the month of September:

<b>National Bank Notes—Total Afloat—</b>	
Amount afloat Sept. 1 1916	\$734,493,851
Net amount retired during September	1,183,638
<b>Amount of bank notes afloat Oct. 1 1916</b>	<b>\$733,310,213</b>
<b>Legal-Tender Notes—</b>	
Amount on deposit to redeem national bank notes Sept. 1 1916	\$50,707,153
Net amount of bank notes retired in September	1,806,821
<b>Amount on deposit to redeem national bank notes Oct. 1 1916</b>	<b>\$48,900,332</b>

**FOREIGN TRADE OF NEW YORK—MONTHLY STATEMENT.**—In addition to the other tables given in this department, made up from weekly returns, we give the following figures for the full months, also issued by our New York Custom House.

Month.	Merchandise Movement at New York.				Customs Receipts at New York.	
	Imports.		Exports.		1916.	1915.
	1916.	1915.	1916.	1915.		
January	\$ 99,988,117	\$ 70,992,107	\$ 175,656,877	\$ 104,025,265	\$ 11,668,270	\$ 12,028,863
February	103,084,535	71,016,866	224,934,940	113,203,172	14,019,504	10,888,461
March	116,198,589	90,473,231	229,412,858	129,845,743	14,970,425	13,782,945
April	115,290,462	92,252,029	186,671,441	139,410,642	12,404,695	10,784,887
May	115,104,918	76,341,381	253,765,247	135,623,599	13,902,170	11,258,671
June	143,086,378	87,890,671	243,448,500	144,888,856	13,321,203	11,918,018
July	95,614,439	75,812,949	243,808,629	156,746,121	11,314,255	11,112,048
August	107,920,942	76,266,845	273,627,773	144,117,486	12,392,700	10,873,044
<b>Total</b>	<b>896,288,380</b>	<b>641,046,079</b>	<b>1,831,262,655</b>	<b>1,067,860,884</b>	<b>103,993,222</b>	<b>92,644,937</b>

Imports and exports of gold and silver for the 8 months:

Month.	Gold Movement at New York.				Silver—New York.	
	Imports.		Exports.		Imports.	Exports.
	1916.	1915.	1916.	1915.	1916.	1915.
January	\$ 13,025,093	\$ 2,082,618	\$ 6,220,132	\$ 639,000	\$ 749,381	\$ 4,130,016
February	4,258,059	1,531,031	10,589,971	996,300	1,431,404	3,818,210
March	2,368,344	3,377,102	4,532,820	873,400	1,619,163	3,450,204
April	4,328,407	3,590,774	6,443,234	754,808	1,231,080	4,367,911
May	1,598,288	12,531,054	4,976,677	1,196,820	1,240,112	6,026,236
June	2,790,174	1,204,397	6,726,705	2,779,190	1,831,629	4,241,499
July	17,881,388	5,301,292	8,096,907	2,064,670	1,521,172	4,213,651
August	1,432,146	2,281,541	5,759,159	1,032,670	1,403,423	4,206,413
<b>Total</b>	<b>47,681,899</b>	<b>31,899,809</b>	<b>53,345,605</b>	<b>10,336,858</b>	<b>11,027,364</b>	<b>34,454,140</b>

**Canadian Bank Clearings.**—The clearings for the week ending Oct. 7 at Canadian cities, in comparison with the same week in 1915, shows an increase in the aggregate of 25.5%.

Clearings at—	Week ending October 7.				
	1916.	1915.	Inc. or Dec.	1914.	1913.
<b>Canada—</b>	<b>\$</b>	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>\$</b>
Montreal	80,382,552	56,574,033	+41.1	55,000,664	64,002,547
Toronto	54,943,451	39,376,420	+39.5	38,656,187	46,644,615
Winnipeg	41,679,546	44,064,167	-5.4	40,244,232	42,869,571
Vancouver	7,772,016	6,638,472	+17.1	8,086,677	11,969,840
Ottawa	5,957,867	4,509,669	+32.1	4,334,300	4,519,472
Quebec	4,351,699	3,713,036	+17.2	4,151,068	3,412,072
Halifax	2,620,951	2,405,197	+8.9	1,768,341	2,440,047
Hamilton	4,403,225	3,360,279	+31.0	3,501,637	3,446,909
St. John	2,011,653	1,597,329	+25.9	1,743,830	1,696,543
Calgary	4,638,954	3,510,663	+32.1	3,858,759	6,119,033
London	2,222,832	2,054,149	+8.2	1,909,203	1,831,665
Victoria	1,607,541	1,458,390	+10.2	2,008,313	3,531,828
Edmonton	2,222,275	1,837,778	+21.0	2,559,845	4,034,656
Regina	3,203,948	2,391,373	+34.0	2,280,363	3,273,634
Brandon	662,698	621,572	+6.5	683,853	753,004
Lethbridge	695,413	509,392	+36.5	386,622	618,838
Saskatoon	1,433,986	1,358,172	+5.5	1,312,782	1,772,859
Moose Jaw	1,250,943	1,035,464	+20.8	1,032,264	1,174,667
Brantford	966,828	621,315	+55.5	735,818	753,197
Fort William	554,054	531,072	+4.3	1,099,150	1,139,722
New Westminster	353,436	332,616	+6.3	386,396	633,786
Medicine Hat	566,433	466,708	+21.2	415,043	571,024
Peterborough	617,941	427,992	+44.4	431,123	
Sherbrooke	610,657	Not included			
Kitchener	539,216	Not included			
<b>Total Canada</b>	<b>225,155,242</b>	<b>179,435,258</b>	<b>+25.5</b>	<b>176,586,450</b>	<b>207,209,529</b>

## DIVIDENDS.

The following shows all the dividends announced for the future by large or important corporations:

*Dividends announced this week are printed in italics.*

Name of Company.	Per Cent.	When Payable.	Books Closed. Days Inclusive.
<b>Railroads (Steam).</b>			
Aitch Topeka & S. F., com. (qu.) (No. 46)	1 1/4	Dec. 1	Holders of rec. Nov. 3a
Buffalo & Susquehanna, common (quar.)	1	dOct. 31	Holders of rec. dOct. 6a
Chicago & Western Indiana (quar.)	1 1/4	Oct. 1	
Cleve. Clin. Chic. & St. Louis, pref. (qu.)	1 1/4	Oct. 20	Holders of rec. Sept. 29a
Cuba RR., common	3	Nov. 1	Holders of rec. June 15a
Delaware Lackawanna & Western (quar.)	\$1.25	Oct. 20	Holders of rec. Oct. 6
Georgia RR. & Banking (quar.)	3	Oct. 15	Oct. 2 to Oct. 14
Grand Trunk of Canada, guaranteed	2	Nov. 1	Oct. 10 to Nov. 1
First preference	2 1/2	Nov. 1	Oct. 10 to Nov. 1
Great Northern (quar.)	1 1/4	Nov. 1	Sept. 23 to Oct. 13
Kansas City Southern, preferred (quar.)	1	Oct. 16	Holders of rec. Sept. 30a
Lehigh Valley, com. & pref. (quar.)	\$1.25	Oct. 14	Holders of rec. Sept. 30a
Minn. St. P. & S. S. M., com. & pf. (No. 27)	3 1/2	Oct. 16	Holders of rec. Sept. 22a
New York Central RR. (quar.)	1 1/4	Nov. 1	Holders of rec. Oct. 6a
Norfolk & Western, adj. pref. (quar.)	1	Nov. 13	Holders of rec. Oct. 31a
Northern Pacific (quar.)	1 1/4	Nov. 1	Holders of rec. Oct. 11a
Reading Company, common (quar.)	\$1	Nov. 9	Holders of rec. Oct. 24a
Warren RR.	3 1/2	Oct. 16	Holders of rec. Oct. 6a
<b>Street and Electric Railways.</b>			
Bangor Ry. & Electric, common (quar.)	1 1/4	Nov. 1	Holders of rec. Oct. 20
Boston Suburban Elec. Cos., pref. (qu.)	50c.	Oct. 14	Holders of rec. Oct. 3a
Brooklyn City RR. (quar.)	2	Oct. 16	Holders of rec. Oct. 4a
Cape Breton Elec. Co., com. (No. 14)	1 1/4	Nov. 1	Holders of rec. Oct. 16a
Preferred (No. 21)	3	Nov. 1	Holders of rec. Oct. 16a



Name of Company.	Per Cent.	When Payable.	Books Closed. Days Inclusive.	Name of Company.	Per Cent.	When Payable.	Books Closed. Days Inclusive.
<b>Street and Electric Rys. (Concluded).</b>				<b>Miscellaneous (Concluded).</b>			
Central Illinois Public Service, pref. (qu.)	1 1/2	Oct. 15	Holders of rec. Sept. 30	Kayser (Julius) & Co.—			
Cin. Newport & Cov. L. & Tr., com. (qu.)	1 1/2	Oct. 15	Oct. 1 to Oct. 15	First and second preferred (qu.)	1 1/2	Nov. 1	Holders of rec. Oct. 20a
Preferred (qu.)	1 1/2	Oct. 15	Oct. 1 to Oct. 15	Kelly-Springfield Tire, common (qu.)	\$1	Nov. 1	Holders of rec. Oct. 16a
Cities Service, com. & pref. (monthly)	1/2	Nov. 1	Holders of rec. Oct. 15	Kelsey Wheel, Inc., pref. (qu.) (No. 1)	1 1/2	Nov. 1	Holders of rec. Oct. 16
Commonw. Pow., Ry. & L., com. (qu.)	1	Nov. 1	Holders of rec. Oct. 20	Kerr Lake Mining (qu.) (No. 45)	25c	Dec. 15	Holders of rec. Dec. 1a
Preferred (qu.)	1 1/2	Nov. 1	Holders of rec. Oct. 20	Keystone Telephone, pref. (qu.)	\$1.50	Nov. 1	Holders of rec. Oct. 20
Detroit United Ry. (qu.)	1 1/2	Nov. 1	Holders of rec. Oct. 20	La Rose Consolidated Mines (qu.)	5c	Oct. 20	Oct. 1 to Oct. 18
Duquesne Light, pref. (qu.) (No. 7)	1 1/2	Nov. 1	Holders of rec. Oct. 2	Lehigh Valley Coal Sales (qu.)	\$1.25	Oct. 14	Holders of rec. Oct. 5
East St. Louis & Sub. Co., pref. (qu.)	3/4	Nov. 1	Holders of rec. Oct. 14	MacAndrews & Forbes, common (qu.)	2 1/2	Oct. 14	Holders of rec. Sept. 30a
Jacksonville (Fla.) Tract., pref. (qu.)	75c	Nov. 1	Holders of rec. Oct. 16a	Common (extra)	2 1/2	Oct. 14	Holders of rec. Sept. 30a
Kentucky Securities Corp., pref. (qu.)	1 1/2	Oct. 15	Oct. 1 to Oct. 11	Preferred (qu.)	1 1/2	Oct. 14	Holders of rec. Sept. 30a
Preferred (acc. accumulated divs.)	1 1/2	Oct. 15	Oct. 1 to Oct. 11	Manati Sugar, common	2 1/2	Dec. 1	Holders of rec. Nov. 28
Manchester Trac., Lt. & Power (qu.)	2	Oct. 16	Holders of rec. Oct. 2a	Common (payable in common stock)	2 1/2	Nov. 8	Holders of rec. Oct. 31
Milwaukee Elec. Ry. & Light, pref. (qu.)	1 1/2	Oct. 31	Holders of rec. Oct. 20a	Manufacturers' Lt. & Ht., Pittsb. (qu.)	2 1/2	Oct. 14	Oct. 1 to Oct. 14
Monongahela Valley Trac., com. (qu.)	1	Oct. 14	Holders of rec. Oct. 9a	Massachusetts Gas Cos., common (qu.)	1 1/2	Nov. 1	Holders of rec. Oct. 14
Montreal Tramways (qu.)	2 1/2	Nov. 2	Holders of rec. Oct. 14	Mass. Lighting Cos., old com. (qu.)	\$1.75	Oct. 16	Holders of rec. Sept. 25
Northampton (Mass.) Street Ry.	2 1/2	Oct. 1	Holders of rec. Sept. 30a	New common (qu.)	25c	Oct. 16	Holders of rec. Sept. 25
Ottumwa Ry. & Light, pref. (qu.)	1 1/2	Oct. 14	Holders of rec. Sept. 30	Preferred (qu.)	\$1.50	Oct. 16	Holders of rec. Sept. 25
Pacific Gas & Elec., com. (qu.) (No. 8)	1 1/2	Oct. 16	Holders of rec. Sept. 30	Mexican Telegraph (qu.)	2 1/2	Oct. 16	Holders of rec. Sept. 30a
Philadelphia Co., com. (qu.) (No. 140)	87 1/2c	Nov. 1	Holders of rec. Oct. 2a	Miami Copper Co. (qu.) (No. 17)	\$1.50	Nov. 15	Holders of rec. Nov. 1a
6% preferred (No. 8)	\$1.50	Nov. 1	Holders of rec. Oct. 2a	Midwest Oil, preferred	2c	Nov. 20	Holders of rec. Nov. 1
Philadelphia & Western Ry., pref. (qu.)	1 1/2	Oct. 14	Holders of rec. Sept. 30	Midwest Oil, preferred	2c	Oct. 20	Holders of rec. Oct. 1
Public Service Invest., pref. (qu.)	1 1/2	Nov. 1	Holders of rec. Oct. 16a	Midwest Refining (qu.)	\$1	Nov. 1	Holders of rec. Oct. 14a
Puget Sd. Tr., L. & P., pf. (qu.) (No. 17)	75c	Oct. 16	Holders of rec. Oct. 4a	Midwest Refining (qu.)	2	Oct. 15	Holders of rec. Oct. 1
Republic Ry. & Lt., pref. (qu.) (No. 21)	1 1/2	Oct. 14	Holders of rec. Sept. 30	Moline Plow, common	2	Nov. 15	Holders of rec. Oct. 31
United Rys. & Elec., Balt., com. (qu.)	50c	Oct. 14	Holders of rec. Oct. 3a	Montreal Lt., Ht. & Pow. (qu.) (No. 62)	2	Oct. 16	Holders of rec. Sept. 30a
Virginia Ry. & Power, common	1 1/2	Oct. 20	Holders of rec. Oct. 3a	Montreal Telegraph (qu.)	2	Oct. 16	Holders of rec. Sept. 30a
West Penn Power, pref. (qu.) (No. 3)	1 1/2	Nov. 1	Oct. 17 to Nov. 1	Extra	1 1/2	Oct. 16	Holders of rec. Sept. 30a
West Penn Rys., pref. (qu.) (No. 44)	1 1/2	Nov. 1	Oct. 22 to Nov. 1	Mountain States Tel. & Tel. (qu.) (No. 21)	1 1/2	Oct. 15	Holders of rec. Sept. 30
West Penn Traction, pref. (qu.) (No. 23)	1 1/2	Oct. 16	Oct. 3 to Oct. 16	National Biscuit, com. (qu.) (No. 73)	1 1/2	Oct. 14	Holders of rec. Sept. 28a
York Railways, preferred (qu.)	62 1/2c	Oct. 30	Holders of rec. Oct. 20a	National Carbon, common (qu.)	2	Oct. 14	Holders of rec. Oct. 4a
<b>Banks.</b>				Preferred (qu.)	1 1/2	Nov. 15	Holders of rec. Nov. 4a
Corn Exchange (qu.)	4	Nov. 1	Holders of rec. Oct. 31	National Paper & Type, com. (qu.)	1 1/2	Oct. 14	Holders of rec. Sept. 30a
Produce Exchange, New York	5	Oct. 16	Holders of rec. Oct. 10	Preferred (qu.)	1 1/2	Oct. 16	Oct. 1 to Oct. 14
<b>Miscellaneous</b>				Nat. Zinc & Lead (qu.)	2	Oct. 31	Holders of rec. Oct. 21
Aetna Explosives, Inc., pref. (qu.)	1 1/2	Oct. 25	Holders of rec. Oct. 14	New England Power, preferred (qu.)	1 1/2	Oct. 14	Oct. 1 to Oct. 13
Alliance Realty (qu.)	1 1/2	Oct. 16	Holders of rec. Oct. 10	New York Transit (qu.)	4	Oct. 14	Holders of rec. Sept. 23
Allis-Chalmers Mfg., pref. (qu.)	1 1/2	Oct. 16	Holders of rec. Sept. 30a	Niagara Falls Power (qu.)	2	Oct. 14	Holders of rec. Sept. 30a
Amer. Agric. Chem., com. (qu.) (No. 20)	1 1/2	Oct. 16	Holders of rec. Sept. 25a	Nipe Bay Co.	2	Oct. 14	Holders of rec. Sept. 23a
Preferred (qu.) (No. 45)	1 1/2	Oct. 16	Holders of rec. Sept. 25a	Nipissing Mines (qu.)	25c	Oct. 20	Oct. 1 to Oct. 12
American Cigar, common (qu.)	1 1/2	Nov. 1	Holders of rec. Oct. 14	Extra	25c	Oct. 20	Oct. 1 to Oct. 12
American Cyanamid, pref.	6	Dec. 1	Holders of rec. Aug. 1	North Butte Mining (qu.) (No. 40)	75c	Oct. 23	Holders of rec. Oct. 6a
Amer. District Tel. of N. J. (qu.)	1	Oct. 28	Holders of rec. Oct. 14	Northern States Power, common (qu.)	1 1/2	Oct. 20	Holders of rec. Sept. 30
Amer. Gas & Elec., pref. (qu.) (No. 39)	1 1/2	Nov. 1	Holders of rec. Oct. 20	Preferred (qu.)	1 1/2	Oct. 14a	Holders of rec. Sept. 30
American Glue, common	3	Nov. 1	Holders of rec. Oct. 25	Nova Scotia Steel & Coal, pref. (qu.)	2	Oct. 14	Holders of rec. Sept. 30a
Amer. Laundry Machinery, pref. (qu.)	1 1/2	Oct. 14	Oct. 5 to Oct. 14	Ohio Cities Gas com. (pay. in com. stk.)	5	Dec. 1	Holders of rec. Nov. 15
Amer. Light & Traction, com. (qu.)	2 1/2	Nov. 1	Oct. 15 to Oct. 31	Ohio Fuel Supply (qu.)	50c	Oct. 16	Holders of rec. Sept. 30
Common (payable in common stock)	72 1/2c	Nov. 1	Oct. 15 to Oct. 31	Oklahoma Natural Gas (qu.)	1 1/2	Oct. 20	Holders of rec. Oct. 9
Preferred (qu.)	1 1/2	Nov. 1	Oct. 15 to Oct. 31	Oseola Consolidated Mining (qu.)	\$5	Oct. 31	Holders of rec. Oct. 3
American Locomotive, preferred (qu.)	1 1/2	Oct. 21	Sept. 19 to Oct. 17	Otis Elevator, common (qu.)	1 1/2	Oct. 16	Holders of rec. Sept. 30
American Malt Corporation, pref. (qu.)	50c	Nov. 2	Holders of rec. Oct. 17a	Preferred (qu.)	1 1/2	Oct. 16	Holders of rec. Sept. 30
American Malt Co., preferred	70c	Nov. 1	Holders of rec. Oct. 16a	Pacific Coast Co., 1st pref. (qu.)	1 1/2	Nov. 1	Holders of rec. Oct. 20
American Navigation (qu.)	30c	Oct. 20	Holders of rec. Oct. 5	Second preferred (qu.)	1	Nov. 1	Holders of rec. Oct. 20
American Rolling Mill, common (qu.)	2 1/2	Oct. 15	Holders of rec. Sept. 30a	Pacific Telephone & Telegraph (qu.)	1 1/2	Oct. 15	Oct. 1 to Oct. 15
Preferred (qu.)	1 1/2	Oct. 15	Holders of rec. Sept. 30a	Penmans, Limited, common (qu.)	1	Nov. 15	Holders of rec. Nov. 6a
Amer. Seeding Machine, com. (qu.)	1 1/2	Oct. 15	Holders of rec. Sept. 30a	Preferred (qu.)	1 1/2	Nov. 1	Holders of rec. Oct. 21a
Preferred (qu.)	1 1/2	Oct. 15	Holders of rec. Sept. 30a	Pennsylvania Lighting, pref. (qu.)	1 1/2	Oct. 15	Holders of rec. Oct. 10
Amer. Telephone & Telegraph (qu.)	2	Oct. 16	Holders of rec. Sept. 30a	Pennsylvania Salt Manufacturing (qu.)	2	Oct. 14	Holders of rec. Sept. 30a
Amer. Type Foundry, com. (qu.)	1 1/2	Oct. 14	Holders of rec. Oct. 10a	Peoples Gas Light & Coke (qu.)	1 1/2	Nov. 25	Holders of rec. Nov. 1
Preferred (qu.)	1 1/2	Oct. 14	Holders of rec. Oct. 10a	Pittsburgh Brewing, preferred	2	Oct. 30	Holders of rec. Oct. 20
American Woolen, common (qu.)	1 1/2	Oct. 16	Sept. 16 to Sept. 28	Pittsburgh Coal, preferred (qu.)	1 1/2	Oct. 25	Holders of rec. Oct. 14a
Preferred (qu.)	1 1/2	Oct. 16	Sept. 16 to Sept. 28	Pittsb. Term. Whse. & Transf. (monthly)	25c	Oct. 14	Holders of rec. Oct. 7
Amer. Zinc, Lead & Smelt., pref. (qu.)	\$1.50	Nov. 1	Holders of rec. Oct. 21	Prairie Oil & Gas (qu.)	3	Oct. 31	Holders of rec. Sept. 30
Anaconda Copper Mining (qu.)	\$2	Nov. 27	Holders of rec. Oct. 21a	Extra	2	Oct. 31	Holders of rec. Sept. 30
Associated Gas & Electric, pref. (qu.)	1 1/2	Oct. 16	Holders of rec. Sept. 30	Prairie Pipe Line (qu.)	5	Oct. 31	Holders of rec. Sept. 30a
Associated Oil (qu.)	1	Oct. 16	Holders of rec. Sept. 30a	Extra	5	Oct. 31	Holders of rec. Sept. 30a
Atlas Powder, preferred (qu.)	1 1/2	Nov. 1	Oct. 21 to Oct. 31	Procter & Gamble, preferred (qu.)	2	Oct. 14	Sept. 24 to Oct. 11
Barth Bros. & Spindler, 1st & 2d pf. (qu.)	1 1/2	Nov. 1	Holders of rec. Oct. 27a	Public Service Co. of No. Ill., com. (qu.)	1 1/2	Nov. 1	Holders of rec. Oct. 17a
Barrett Co., preferred (qu.)	1 1/2	Oct. 16	Oct. 6 to Oct. 15	Preferred (qu.)	1 1/2	Nov. 1	Holders of rec. Oct. 17a
Bell Telephone of Canada (qu.)	2	Oct. 14	Holders of rec. Sept. 30	Quaker Oats, common (qu.)	2 1/2	Oct. 16	Holders of rec. Oct. 2a
Bell Telephone of Pa. (qu.)	1 1/2	Oct. 16	Holders of rec. Oct. 5a	Preferred (qu.)	1 1/2	Nov. 29	Holders of rec. Nov. 14
Borne, Strymer Co. (annual)	20	Oct. 18	Sept. 17 to Oct. 15	Reece Buttonhole Mach. (qu.) (No. 22)	3	Oct. 16	Holders of rec. Oct. 2
Brown Shoe, Inc., pref. (qu.)	1 1/2	Nov. 1	Holders of rec. Oct. 25a	Reece Folding Machine (qu.) (No. 30)	1	Oct. 16	Holders of rec. Oct. 2
Burns Bros., com. (qu.) (No. 12)	1 1/2	Nov. 15	Holders of rec. Nov. 1	Reo Motor Car	2 1/2	Nov. 1	Holders of rec. Oct. 16a
Preferred (qu.) (No. 15)	1 1/2	Nov. 1	Holders of rec. Oct. 20	Extra	7 1/2	Nov. 1	Holders of rec. Oct. 16a
Canada Steamship Lines, pref.	1 1/2	Nov. 1	Holders of rec. Oct. 1a	St. L. Rocky Mtn. & Pac. Co., com. (qu.)	1 1/2	Oct. 10	Oct. 1 to Oct. 9
Canadian Explosives, pref. (qu.)	1 1/2	Oct. 14	Holders of rec. Sept. 30	Savoy Oil (monthly)	5c	Oct. 25	Holders of rec. Oct. 16
Central Coal & Coke, preferred (qu.)	1 1/2	Oct. 16	Oct. 1 to Oct. 15	Extra	5c	Oct. 25	Holders of rec. Oct. 26
Central Leather, common (qu.)	1	Nov. 1	Holders of rec. Oct. 10a	Securities Corporation General, pref. (qu.)	1 1/2	Oct. 15	Holders of rec. Sept. 30a
Common (extra)	1	Nov. 1	Holders of rec. Oct. 10a	Shattuck-Arizona Copper (qu.) (No. 17)	50c	Oct. 20	Holders of rec. Sept. 30a
Charcoal Iron of America, preferred	100c	Oct. 31	Holders of rec. Oct. 15	Extra (No. 5)	75c	Oct. 20	Holders of rec. Sept. 30a
Preferred	100c	Nov. 29	Holders of rec. Nov. 15	Sinclair Oil & Refining (qu.)	\$1.25	Nov. 15	Holders of rec. Oct. 31
Preferred	100c	Dec. 30	Holders of rec. Dec. 15	Southern Calif. Edison, pf. (qu.) (No. 29)	1 1/2	Oct. 15	Holders of rec. Sept. 30a
Chicago Pneumatic Tool (qu.)	1	Oct. 25	Oct. 15 to Oct. 25	Southern N. E. Telephone (qu.)	1 1/2	Oct. 14	Holders of rec. Sept. 30a
Civic Investment & Industrial (qu.)	1	Nov. 15	Holders of rec. Oct. 31	Steel Co. of Canada, pf. (qu.) (No. 21)	1 1/2	Nov. 1	Holders of rec. Oct. 14
Cleveland & Sandusky Brew'g, pref. (qu.)	1 1/2	Oct. 16	Holders of rec. Sept. 30a	Submarine Boat Corp. (qu.)	\$1.50	Oct. 16	Holders of rec. Sept. 30
Cjett, Peabody & Co., Inc., com. (qu.)	1 1/2	Nov. 1	Holders of rec. Oct. 21a	Swift & Co. (extra)	33 1-3	Nov. 25	Holders of rec. Oct. 16
Colorado Power, common	1	Oct. 16	Holders of rec. Oct. 9	Union Natural Gas (qu.)	2 1/2	Oct. 14	Oct. 1 to Oct. 15
Preferred (qu.)	1 1/2	Dec. 15	Holders of rec. Nov. 30	Union Oil (qu.)	\$1.50	Oct. 24	Holders of rec. Oct. 9
Commonwealth Edison (qu.)	2	Nov. 1	Holders of rec. Oct. 14	Union Switch & Signal, com. & pref. (qu.)	\$1.50	Oct. 14	Holders of rec. Sept. 30
Commonwealth Gas & El. Cos., pf. (qu.)	\$1.50	Oct. 16	Holders of rec. Oct. 2a	United Cigar Stores, common (qu.)	1 1/2	Nov. 15	Holders of rec. Oct. 27a
Consolidation Coal (qu.)	1 1/2	Oct. 31	Holders of rec. Oct. 21a	United Drug, 1st pref. (qu.) (No. 3)	1 1/2	Nov. 1	Holders of rec. Oct. 16
Corn Products Refining, preferred (qu.)	1 1/2	Oct. 16	Holders of rec. Oct. 4a	United Fruit (qu.) (No. 69)	2	Oct. 14	Holders of rec. Sept. 23a
Crucible Steel, pref. (extra) (No. 8)	1 1/2	Oct. 31	Holders of rec. Oct. 16a	United Gas Improvement (qu.)	\$1	Oct. 14	Holders of rec. Sept. 30a
Delaware Lackawanna & West. Coal (qu.)	2 1/2	Oct. 16	Holders of rec. Sept. 30a	United Paper Board, preferred (qu.)	1 1/2	Oct. 15	Holders of rec. Oct. 1
Detroit Edison (qu.)	2	Oct. 16	Holders of rec. Sept. 30a	U. S. Cast I. Pipe & Fdy., pf. (qu.) (No. 51)	1 1/2	Nov. 15	Holders of rec. Nov. 3a
Distilling Co. of America, pref. (qu.)	1 1/2	Oct. 14	Holders of rec. Sept. 27a	U. S. Industrial Alcohol, pref. (qu.)	1 1/2	Oct. 15	Holders of rec. Sept. 30a
Distillers Securities Corp. (qu.)	1 1/2	Oct. 16	Holders of rec. Sept. 27a	U. S. Rubber, 1st preferred (qu.)	2	Oct. 31	Holders of rec. Oct. 14a
Dominion Textile, Ltd., pref. (qu.)	1 1/2	Oct. 16	Holders of rec. Sept. 30a	Second preferred (qu.)	1 1/2	Oct. 31	Holders of rec. Oct. 14a
du Pont (E. I.) de Nem. Powd., com. (qu.)	1 1/2	Nov. 1	Holders of rec. Oct. 21	U. S. Smelt., Ref. & Min., com. (qu.)	\$1	Oct. 14	Holders of rec. Oct. 9a
Preferred (qu.)	1 1/2	Nov. 1	Holders of rec. Oct. 21a	Preferred (qu.)	87 1/2c	Oct. 14	Holders of rec. Oct. 9a
Eastman Kodak, common (qu.)	2 1/2	Jan. 1	Holders of rec. Nov. 30	U. S. Steamship	10c	Nov. 1	Holders of rec. Oct. 16
Common (extra)	5	Jan. 15	Holders of rec. Oct. 25	United Verde Exten. Mining (No. 2)	50c	Nov. 1	Holders of rec. Oct. 16
Preferred (qu.)	1 1/2	Jan. 1	Holders of rec. Nov. 30	Vacuum Oil	3	Oct. 31	Holders of rec. Oct. 17
Edison Elec. Ill. of Boston (qu.) (No. 110)	3	Nov. 1	Holders of rec. Oct. 16	Va.-Caro. Chemical, pref. (qu.) (No. 84)	2	Oct. 16	Holders of rec. Sept. 30a
Electrical Securities Corp., pref. (qu.)	1 1/2	Nov. 1	Holders of rec. Oct. 25a	Warner (Chas.) Co., 1st & 2d pref. (qu.)	1 1/2	Oct. 26	Holders of rec. Sept. 30
Electrical Utilities, pref. (qu.) (No. 26)	1 1/2	Oct. 15	Holders of rec. Oct. 7	Washington Oil	\$4	Oct. 20	Sept. 21 to Oct. 20
Elec. Bond & Share, com. (qu.) (No. 30)	2	Oct. 16	Holders of rec. Oct. 13	Western Power Co., pref. (qu.)	\$1.20	Oct. 16	Holders of rec. Sept. 30a
Preferred (qu.) (No. 46)	1 1/2	Nov. 1	Holders of rec. Oct. 20	Western Power Corporation, pref. (qu.)	1	Oct. 16	Holders of rec. Sept. 30a
Elgin National Watch (qu.)	2	Nov. 1	Holders of rec. Oct. 25	Western States Gas & Electric, pref. (qu.)	1 1/2	Oct. 14	Holders of rec. Sept. 30
Eureka Pipe Line (qu.)	6	Nov. 1	Holders of rec. Oct. 16	Western Union Telegraph (qu.) (No. 190)	1 1/2	Oct. 16	Holders of rec. Sept. 20a
Fajardo Sugar (qu.)	2 1/2	Nov. 1	Holders of rec. Oct. 18	Westinghouse Air Brake (qu.)	\$2	Oct. 21	Holders of rec. Sept. 30a
Federal Sugar Refining, pref. (qu.)	1 1/2	Oct. 30	Holders of rec. Oct. 27a	Westinghouse Air Brake (extra)	\$5	Nov. 21	Holders of rec. Oct. 31
Fisher Body Corporation, preferred (No. 1)	1 1/2	Nov. 1	Holders of rec. Oct. 17	Westinghouse Elec. & Mfg., com. (qu.)	75c	Oct. 23	Holders of rec. Oct. 6a
General Electric (qu.)	2	Oct. 14	Holders of rec. Sept. 16a	Preferred (qu.)	87 1/2c	Oct. 16	Holders of rec. Oct. 6a
General Motors, common (qu.)	5	Nov. 1	Holders of rec. Oct. 14a	Woolworth (F. W.) Co., common (qu.)	2	Dec. 1	Holders of rec. Nov. 10
Preferred (qu.)	3 1/2	Nov. 1	Holders of rec. Oct. 14a				
Globe-Wernicke, pref. (qu.)	1 1/2	Oct. 15	Holders of rec. Sept. 30				
Goodrich (B. F.) Co., common (qu.)	1	Nov. 15	Holders of rec. Nov. 3a				
Granby Consol. Min., Smelt. & Pow. (qu.)	2	Nov. 1	Holders of rec. Oct. 18a				
Great Northern Paper (qu.)	1	Nov. 1	Holders of rec. Oct. 31				
Gulf States Steel, common (No. 1)	2	Jan. 2	Holders of rec. Dec. 15a				
Gulf States Steel, 2d pref. (qu							



## By Messrs. Francis Henshaw &amp; Co., Boston:

Shares.	Stocks.	\$ per sh.	Shares.	Stocks.	\$ per sh.
30	Old Colony Trust Co.	240	19	Bates Mfg.	275
5	Nat. Shawmut Bank	192½	12	Lowell & Andover RR.	98
9	Border City Mfg.	117	¾	Mass. Bonding & Ins.	60
1	Pepperell Mfg.	185	10	Lawrence Mfg.	110½
10	Butler Mill, common	95½	50	Mass. Lighting Cos., rights	250.
2	Algonquin Printing Co.	200¼			

## By Messrs. R. L. Day &amp; Co., Boston:

Shares.	Stocks.	\$ per sh.	Shares.	Stocks.	\$ per sh.
10	Nat. Shawmut Bank	191	10	Converse Rubber Shoe, pref.	101¼
5	Mass. Cotton Mills	123	20	Draper Corp.	141¼
9	Pacific Mills	159¼-160	54	Mass. Light. Cos. rights	250.
10	Mass. Mills in Georgia	99	300-85	Fisk Rubber Co.	40.
5	Merrimack Mfg., common	53¼	8	Heywood Bros. & Wakefield, pref.	101¼
1-3	Brookside Mills	50	4	Library Bureau, pref. ser. A.	105½
15	Arlington Mills	105¼-106	50	E. B. Townsend Coal Co.	110
9	Lawrence Mfg.	110	25	Granite Mills	102½
15	Hood River, pref.	112			
1	Boston Athenaeum, \$300 par.	430			
1	Worcester Elec. Lt. rights	14¼			
15	Mass. Lighting Cos., pref.	102¼			

## By Messrs. Barnes &amp; Lofland, Philadelphia:

Shares.	Stocks.	\$ per sh.	Shares.	Stocks.	\$ per sh.
17	Big Bend Coal Mining	71	25	Mechan. Nat. Bank, Trenton, \$50 each	262½
400	McKin. Dar. Sav. Mine, \$1 par. 62c.		3	Girard Trust Co.	900
500	Vernal Mfg. (Goldfield), \$1 each 40c.		50	Finance Co. of Pa. 2d pref.	115
30	Guar. Tr. & S. D. Co.	161	50	Central Tr. & Sav., \$50 each	60¼
4	Phila. Bourse, com., \$50 each	7¼	5	Mutual Tr. Co., \$50 each	30
15	Amal. Asbestos Corp., com.	\$3 lot	2	West End Trust Co.	167¼
15	Amal. Asbestos Corp., pref.	\$21 lot	67	People's Nat. F. Ins., \$25 each 18	
150	Peterson Carpet Co.	\$1 lot	48	Phila. Life Ins., \$10 each	11-11¼
187	Diamond State Steel, pref., \$10 each	\$10	100	Camden F. Ins. Assoc., \$5 each 10¼	
150	Diamond State Steel, com., \$10 each	\$5	32	Camden & Burl. Co. Ry., \$25 each	33
443	Amargosa Min. & Mill		2½	Elizabeth & Trenton RR.	33¼
13	Pa. Mutual L. Ins., \$10 each	1¼	2	2d & 3d Sts. Pass. Ry.	240½
100	Nev. Utah Mines & Smelters	260.	25	Continental Pass. Ry.	121
1	Phila. & Trenton RR.	237¼	8	Pa. Cold Stor. & Mkt., \$50 each 20¼	
1	Phila. City Pass. Ry.	151¼	100	Interstate Pub. Co., \$10 each	\$2 lot
7	Fire Assoc. of Phila., \$50 each 340¼		5	Corn Exch. Nat. Bank	336¼
1	J. B. Stetson Co., common	380			
5	Eagles Mere RR., \$50 each	\$1 lot			
20	Phila. Nat. Bank	497			
10	Ridge Ave. Bank, \$50 each	55			

**National Banks.**—The following information regarding national banks is from the office of the Comptroller of the Currency, Treasury Department:

## APPLICATIONS FOR CHARTERS.

For organization of national banks:	
The Croghan National Bank, Croghan, N. Y.	Capital..... \$25,000
The First National Bank of Logan, New Mex.	Capital..... 25,000
For conversion of State banks:	
The First National Bank of Van Hook, N. Dak.	Capital..... 25,000
Conversion of the First State Bank of Van Hook.	
The First National Bank of Purdon, Tex.	Capital..... 25,000
Conversion of the Bank of Purdon.	
Total capital	\$100,000

## INCREASES OF CAPITAL APPROVED.

The First National Bank of Seattle, Wash.	Capital increased from \$300,000 to \$400,000.	Increase..... \$100,000
The Merchants-Mechanics National Bank of Baltimore, Md.	Capital increased from \$2,000,000 to \$2,500,000.	Increase..... 500,000
Total increase		\$600,000

## CHANGE OF TITLE APPROVED.

The Merchants-Mechanics National Bank of Baltimore, Md., to "The Merchants-Mechanics First National Bank of Baltimore."

## LIQUIDATIONS.

The Citizens National Bank of Chattanooga, Tenn.	Capital..... \$300,000
Absorbed by the Hamilton National Bank of Chattanooga.	
Liability for circulation not assumed under Section 5223.	
U. S. R. S. Liquidating agent: T. R. Preston, Chattanooga.	
The Westminster National Bank of Gardner, Mass.	Capital..... 100,000
Succeeded by the Gardner Trust Co., Gardner, Mass.	
Liquidating agent: Frank W. Fenno, Westminster, Mass.	
The First National Bank of New Haven, Ill.	Capital..... \$25,000
Succeeded by the Peoples Bank of New Haven, Ill.	
Liquidating agent: Fred M. Davis, New Haven.	
Total capital	\$425,000

**Imports and Exports for the Week.**—The following are the reported imports of merchandise at New York for the week ending Oct. 7 and since the first week of January:

## FOREIGN IMPORTS AT NEW YORK.

For Week.	1916.	1915.	1914.	1913.
For the week.....	\$22,306,966	\$17,871,847	\$18,642,069	\$19,609,954
Previously reported.....	964,886,981	727,984,890	746,697,636	733,638,779
Total 40 weeks.....	\$987,193,947	\$745,856,737	\$765,339,705	\$753,248,733

## EXPORTS FROM NEW YORK.

	1916.	1915.	1914.	1913.
For the week.....	\$74,489,094	\$29,405,122	\$17,512,914	\$13,121,933
Previously reported.....	2,131,170,203	*1,217,072,208	629,222,020	663,671,454
Total 40 weeks.....	\$2,205,659,297	\$1,246,477,330	\$646,734,934	\$676,793,387

\*Revised.

## EXPORTS AND IMPORTS OF SPECIE AT NEW YORK.

Week ending Oct. 7.	Exports.		Imports.	
	Week.	Since Jan. 1.	Week.	Since Jan. 1.
<b>Gold.</b>				
Great Britain.....	-----	\$6,490,381	-----	\$37,125,762
France.....	-----	-----	-----	14,840
Germany.....	-----	-----	-----	-----
West Indies.....	-----	27,162,941	-----	\$13,094
Mexico.....	-----	707,500	-----	71,599
South America.....	-----	9,945,213	-----	110,523
All other countries.....	-----	14,181,348	-----	79,246
Total 1916.....	\$2,000	\$58,487,383	\$274,462	\$59,534,788
Total 1915.....	2,000	12,298,988	4,994,540	42,699,798
Total 1914.....	448,220	128,047,168	111,537	7,321,969
<b>Silver.</b>				
Great Britain.....	\$1,603,274	\$36,779,248	-----	\$18,157
France.....	22,000	398,600	-----	6,631
Germany.....	-----	-----	-----	-----
West Indies.....	702	855,211	-----	201,378
Mexico.....	-----	29,467	-----	145,576
South America.....	-----	1,531,703	-----	55,957
All other countries.....	-----	10,300	-----	69,784
Total 1916.....	\$1,625,976	\$39,604,529	\$271,317	\$13,587,985
Total 1915.....	994,288	30,098,655	195,262	7,223,119
Total 1914.....	703,093	34,059,159	114,560	7,198,203

**The Federal Reserve Banks.**—Following is the weekly statement issued by the Federal Reserve Board on Oct. 7:

Continued liquidation of discounts and acceptances, large purchases of municipal warrants, and considerable transfers of gold to the Agents to reduce the banks' liabilities on notes issued to them, accompanied by substantial gains in member bank deposits, are indicated by the weekly statement as at close of business on October 6.

The aggregate cash reserves of the banks increased during the week by about 6 millions, while total gold reserves show a slight decline. Combined gold holdings of the banks and Agents are now about 592 millions, a gain for the past six months of about 84 millions, of which 24 millions represents the increase of gold in the hands of the Agents and 60 millions the increase of gold in the hands of the banks.

Considerable shiftings of gold between the banks are shown, largely the result of transfers on the books of the Gold Settlement Fund. Boston reports a decrease of over 6 millions in its gold reserve, which is due in part to net withdrawals of Government and member bank deposits, the building up of large favorable balances in account with other Federal Reserve banks, and the transfer of gold to the Agent. The New York Bank reports a gain of 3.7 millions in its gold reserve and of 9.3 millions in total reserves, mainly from the redemption of notes by the Treasury. Chicago reports a gain of 4.2 millions in total reserve, following the collection through the Gold Settlement Fund of part of its favorable balance with other Federal Reserve Banks. Reductions of 1.7 millions and of 2.4 millions in reserve reported by the Minneapolis and San Francisco Banks, are more than offset by increases in their balances due from other Reserve banks.

Discounts on hand show a decrease during the week of almost 2.3 millions, Dallas and the other two Southern banks reporting considerable liquidation of paper. Acceptances on hand decreased about 3.2 millions. Of the total bills, including acceptances, held by the banks, 42.4% mature within 30 days and 31.8% after 30 but within 60 days.

Transactions in U. S. securities, including the conversion of 2% bonds into 3% bonds and Treasury notes, are reported by 9 banks, resulting in a decrease of \$2,174,000 in the amounts of bonds, and of \$1,836,000 in the amounts of Treasury notes held. Aggregate holdings of warrants increased over 5 millions, the Eastern banks reporting large purchases of New York City notes. Total earning assets differ but slightly from the total shown the week before, and constitute about 330% of the banks' paid-in capital, as against 332% shown on September 29. Of the aggregate earning assets 42.2% is represented by acceptances; 24.2% by U. S. bonds; 15.9% by warrants; 12.9% by discounts; and 4.8% by Treasury notes.

The New York Federal Reserve Bank reports an increase of \$300,000 in the amount of its paid-in capital, corresponding to a reported increase of 10 millions in the amount of capital of a leading New York City member bank. Government deposits show a decline for the week of 5 millions, the 3 Eastern banks reporting large net withdrawals of Government funds.

Net member bank deposits increased 4.3 millions, New York, Atlanta and Dallas reporting the largest increases under this head. Dallas reports the deposit with the Treasury of 2 millions to reduce its liability on Federal Reserve bank notes. The Agents report total net issues to the banks of \$220,400,000 of Federal Reserve notes, an increase for the week of \$6,523,000. Against this total they hold \$204,476,000 of gold and \$16,220,000 of paper. The banks report a total of \$201,364,000 of Federal Reserve notes in actual circulation and aggregate liabilities of \$11,782,000 on notes issued to them by the Agents.

The figures of the consolidated statement for the system as a whole are given in the following table, and in addition we present the results for each of the eight preceding weeks, thus furnishing a useful comparison. In the second table we show the resources and liabilities separately for each of the twelve Federal Reserve banks. The statement of Federal Reserve Agents' Accounts (the third table following) gives details regarding the transactions in Federal Reserve notes between the Comptroller and the Reserve Agents and between the latter and the Federal Reserve banks.

## COMBINED RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AT THE CLOSE OF BUSINESS OCT. 6 1916.

	Oct. 6 1916.	Sept. 29 1916	Sept. 22 1916	Sept. 15 1916	Sept. 8 1916.	Sept. 1 1916.	Aug. 25 1916	Aug. 18 1916	Aug. 11 1916
<b>RESOURCES.</b>									
Gold coin and certificates in vault.....	\$265,626,000	\$260,845,000	\$258,711,000	\$250,308,000	\$248,846,000	\$245,358,000	\$259,799,000	\$260,926,000	\$258,952,000
Gold settlement fund.....	119,441,000	124,421,000	117,791,000	125,271,000	118,950,000	104,601,000	110,951,000	110,001,000	106,121,000
Gold redemption fund with U. S. Treasurer.....	1,910,000	1,929,000	1,941,000	1,894,000	1,884,000	1,812,000	1,637,000	1,991,000	1,852,000
Total gold reserve.....	\$386,977,000	\$387,195,000	\$378,443,000	\$377,473,000	\$369,680,000	\$351,771,000	\$372,387,000	\$372,918,000	\$366,925,000
Legal tender notes, silver, &c.....	13,991,000	7,811,000	7,642,000	7,898,000	27,487,000	13,605,000	12,265,000	16,998,000	11,127,000
Total reserve.....	\$400,968,000	\$395,006,000	\$386,085,000	\$385,371,000	\$397,167,000	\$365,376,000	\$384,652,000	\$389,916,000	\$378,052,000
5% redemption fund ag't F. R. bk notes	500,000	500,000	500,000	500,000	1484,000	500,000	500,000	500,000	500,000
Bills discounted and bought—									
Maturities within 10 days.....	\$15,061,000	\$21,408,000	\$24,378,000	\$15,685,000	\$14,318,000	\$15,733,000	\$12,955,000	\$8,163,000	\$12,425,000
Maturities from 11 to 30 days.....	27,810,000	23,245,000	24,238,000	32,521,000	32,236,000	23,671,000	27,507,000	29,267,000	26,310,000
Maturities from 31 to 60 days.....	32,112,000	36,527,000	37,893,000	39,788,000	39,625,000	42,674,000	42,781,000	42,400,000	41,898,000
Maturities from 61 to 90 days.....	24,947,000	23,882,000	23,594,000	20,697,000	19,333,000	21,250,000	23,548,000	24,584,000	25,388,000
Maturities over 90 days.....	1,164,000	1,516,000	1,487,000	1,631,000	1,823,000	2,342,000	2,387,000	2,480,000	2,950,000
Total.....	\$101,094,000	\$106,578,000	\$111,590,000	\$110,322,000	\$107,335,000	\$105,670,000	\$109,178,000	\$106,894,000	\$108,971,000
*Acceptances (included in above).....	\$77,438,000	\$80,625,000	\$83,884,000	\$82,609,000	\$79,808,000	\$79,278,000	\$82,146,000	\$80,138,000	\$80,513,000
Investments: U. S. bonds.....	\$44,370,000	\$46,544,000	\$47,553,000	\$46,915,000	\$45,954,000	\$46,821,000	\$46,796,000	\$47,029,000	\$46,703,000
One-year U. S. Treasury notes.....	8,763,000	6,927,000	8,039,000	9,039,000	9,055,000	8,205,000	8,205,000	7,885,000	8,351,000
Municipal warrants.....	29,085,000	24,028,000	24,137,000	23,714,000	21,166,000	21,302,000	27,863,000	27,788,000	27,975,000
Total earning assets.....	\$183,312,000	\$184,077,000	\$191,319,000	\$189,990,000	\$183,510,000	\$181,998,000	\$192,042,000	\$189,596,000	\$192,000,000



	Oct. 6 1916.	Sept. 29 1916	Sept. 22 1916	Sept. 15 1916	Sept. 8 1916.	Sept. 1 1916.	Aug. 25 1916	Aug. 18 1916	Aug. 11 1916
<b>RESOURCES (Concluded).</b>									
Brought forward (total reserve & earn'g assets)	\$584,780,000	\$579,583,000	\$577,904,000	\$575,861,000	\$581,161,000	\$547,874,000	\$577,194,000	\$580,012,000	\$570,552,000
Federal Reserve notes—Net	\$14,894,000	\$14,250,000	\$16,080,000	\$19,975,000	\$19,324,000	\$20,890,000	\$21,222,000	\$19,887,000	\$20,069,000
Due from Federal Reserve banks—Net	26,232,000	31,365,000	29,266,000	28,937,000	28,706,000	35,607,000	21,654,000	21,068,000	16,447,000
All other resources	3,045,000	7,543,000	8,451,000	2,969,000	†3,403,000	3,031,000	3,541,000	3,226,000	3,781,000
Total resources	\$628,951,000	\$632,741,000	\$631,701,000	\$627,742,000	\$632,594,000	\$607,402,000	\$623,611,000	\$624,193,000	\$610,799,000
<b>LIABILITIES.</b>									
Capital paid in	\$55,684,000	\$55,393,000	\$55,423,000	\$55,416,000	\$55,406,000	\$55,390,000	\$55,363,000	\$55,110,000	\$55,130,000
Government deposits	33,971,000	33,985,000	39,947,000	40,199,000	44,236,000	50,918,000	50,099,000	49,717,000	53,259,000
Member bank deposits—Net	526,019,000	521,740,000	518,456,000	514,343,000	514,225,000	484,697,000	502,421,000	505,090,000	489,219,000
Federal Reserve notes—Net	11,782,000	13,216,000	14,605,000	14,223,000	16,076,000	14,416,000	13,733,000	12,295,000	11,212,000
Federal Reserve bank notes in circulation	1,033,000	3,033,000	2,914,000	3,214,000	2,334,000	1,690,000	1,690,000	1,691,000	1,691,000
All other liabilities	462,000	374,000	356,000	347,000	317,000	291,000	305,000	290,000	288,000
Total liabilities	\$628,951,000	\$632,741,000	\$631,701,000	\$627,742,000	\$632,594,000	\$607,402,000	\$623,611,000	\$624,193,000	\$610,799,000
Gold reserve ag't net dep. & note liabilities (a)	70.9%	71.4%	69.6%	69.9%	67.7%	68.4%	68.4%	68.3%	68.3%
Cash reserve ag't net dep. & note liabilities (a)	73.5%	72.8%	71.0%	71.4%	72.8%	71.0%	70.6%	71.4%	70.4%
Cash reserve against net deposit liabilities after setting aside 40% gold reserve against aggregate net liabilities on F. R. notes in circulation (a)	74.2%	73.6%	71.9%	72.2%	73.8%	71.9%	71.4%	72.1%	71.0%
(a) Loss items in transit between Federal Reserve banks, viz	\$26,232,000	\$31,365,000	\$29,266,000	\$28,937,000	\$28,706,000	\$35,607,000	\$21,654,000	\$21,068,000	\$16,447,000
Federal Reserve Notes—									
Issued to the banks	\$220,490,000	\$213,967,000	\$209,778,000	\$202,530,000	\$199,218,000	\$194,645,000	\$179,838,000	\$176,620,000	\$175,602,000
In hands of banks	19,126,000	17,429,000	18,143,000	23,121,000	21,437,000	24,084,000	23,493,000	22,176,000	22,374,000
In circulation	\$201,364,000	\$196,538,000	\$191,635,000	\$179,409,000	\$177,781,000	\$170,561,000	\$156,345,000	\$154,444,000	\$153,228,000
Gold and lawful money with Agent	\$204,476,000	\$197,572,000	\$193,110,000	\$185,161,000	\$181,029,000	\$177,035,000	\$163,834,000	\$162,036,000	\$162,085,000
Carried to net assets	14,894,000	14,250,000	16,080,000	19,975,000	19,324,000	20,890,000	21,222,000	19,887,000	20,069,000
Carried to net liabilities	11,782,000	13,216,000	14,605,000	14,223,000	16,076,000	14,416,000	13,733,000	12,295,000	11,212,000
Federal Reserve Notes (Agents' Accounts)—									
Received from the Comptroller	\$364,140,000	\$354,160,000	\$352,900,000	\$351,400,000	\$349,900,000	\$312,100,000	\$302,660,000	\$300,520,000	\$299,520,000
Returned to the Comptroller	77,588,000	72,042,000	70,891,000	69,829,000	68,582,000	67,097,000	66,197,000	65,126,000	63,977,000
Amount chargeable to Agent	\$286,552,000	\$282,118,000	\$282,009,000	\$281,571,000	\$281,318,000	\$245,003,000	\$236,463,000	\$235,394,000	\$235,543,000
In hands of Agent	66,062,000	68,151,000	72,231,000	79,041,000	82,100,000	50,358,000	56,625,000	58,774,000	59,941,000
Issued to Federal Reserve banks	\$220,490,000	\$213,967,000	\$209,778,000	\$202,530,000	\$199,218,000	\$194,645,000	\$179,838,000	\$176,620,000	\$175,602,000
How Secured—									
By gold coin and certificates	\$130,128,000	\$131,628,000	\$131,535,000	\$129,365,000	\$127,675,000	\$124,475,000	\$114,796,000	\$112,146,000	\$112,006,000
By lawful money									
By commercial paper	16,014,000	16,395,000	16,668,000	17,369,000	18,173,000	17,610,000	16,004,000	14,584,000	13,517,000
Credit balances in gold redemption fund	11,918,000	9,764,000	10,345,000	10,366,000	10,984,000	10,860,000	11,138,000	11,240,000	10,659,000
Credit balances with Federal Reserve B'd.	62,430,000	56,180,000	51,230,000	45,430,000	42,390,000	41,700,000	37,900,000	38,650,000	39,420,000
Total	\$220,490,000	\$213,967,000	\$209,778,000	\$202,530,000	\$199,202,000	\$194,645,000	\$179,838,000	\$176,620,000	\$175,602,000
Commercial paper delivered to F. R. Agent	\$16,220,000	\$17,054,000	\$17,981,000	\$18,452,000	\$18,702,000	\$17,842,000	\$17,048,000	\$16,547,000	\$16,152,000

\*Including bankers' and trade acceptances bought in the open market. † Amended figure.

## WEEKLY STATEMENT OF RESOURCES AND LIABILITIES OF EACH OF THE 12 FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS OCT. 6 1916.

	Boston.	New York.	Philadel'a	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneap.	Kan. City.	Dallas.	San Fran.	Total.
<b>RESOURCES.</b>													
Gold coin & cts. in vault	\$8,454,000	\$168,972,000	\$8,425,000	\$14,836,000	\$3,997,000	\$3,886,000	\$29,019,000	\$4,263,000	\$6,017,000	\$4,176,000	\$2,981,000	\$10,600,000	\$265,626,000
Gold settlement fund	9,305,000	3,767,000	19,121,000	14,063,000	16,419,000	2,781,000	24,336,000	5,430,000	3,465,000	10,287,000	7,093,000	3,374,000	\$119,441,000
Gold redemption fund	5,000	250,000	50,000	81,000	440,000	237,000	200,000	73,000	30,000	121,000	413,000	10,000	1,910,000
Total gold reserve	17,764,000	172,989,000	27,596,000	28,980,000	20,856,000	6,904,000	53,555,000	9,766,000	9,512,000	14,584,000	10,487,000	13,984,000	\$386,977,000
Legal-ten notes, sliv. &c.	102,000	8,925,000	597,000	1,123,000	68,000	529,000	1,076,000	1,125,000	195,000	6,000	190,000	55,000	\$13,991,000
Total reserve	17,866,000	181,914,000	28,193,000	30,103,000	20,924,000	7,433,000	54,631,000	10,891,000	9,707,000	14,590,000	10,677,000	14,039,000	\$400,968,000
5% redemp. fund—F.R. bank notes										400,000	100,000		500,000
Bills:													
Discounted—Members	758,000	1,097,000	108,000	365,000	4,489,000	3,800,000	2,505,000	2,229,000	1,642,000	1,459,000	4,908,000	296,000	\$23,656,000
Bought in open mkt.	10,066,000	23,148,000	11,330,000	6,242,000	1,669,000	3,758,000	5,215,000	5,125,000	2,827,000	1,479,000	144,000	6,435,000	\$77,438,000
Total bills on hand	10,824,000	24,245,000	11,438,000	6,607,000	6,158,000	7,558,000	7,720,000	7,354,000	4,469,000	2,938,000	5,052,000	6,731,000	\$101,094,000
Investments: U. S. bds.	2,922,000	2,728,000	2,306,000	6,243,000	633,000	1,508,000	7,596,000	2,689,000	2,945,000	9,270,000	2,896,000	2,634,000	\$44,370,000
One-yr. U. S. Tr. notes	250,000		1,174,000	760,000	1,070,000	526,000	1,517,000	570,000	700,000	963,000	529,000	704,000	\$8,763,000
Municipal warrants	4,417,000	7,688,000	3,454,000	3,664,000	61,000	289,000	4,440,000	1,585,000	1,252,000	359,000		1,876,000	\$29,085,000
Total earning assets	18,413,000	34,661,000	18,372,000	17,274,000	7,922,000	9,881,000	21,273,000	12,198,000	9,366,000	13,530,000	8,477,000	11,945,000	\$183,312,000
Fed. Res'v notes—Net	1,646,000	7,968,000	638,000	367,000			1,280,000		1,507,000			1,488,000	\$14,894,000
Due from other Federal Reserve Banks—Net	6,381,000			2,254,000	1,186,000	1,414,000	7,246,000	7,462,000	3,503,000	1,665,000	744,000	4,484,000	\$26,232,000
All other resources	69,000	227,000	223,000	416,000	167,000	287,000	656,000	129,000	81,000	135,000	464,000	191,000	\$3,045,000
Total resources	44,375,000	224,770,000	47,426,000	50,414,000	30,199,000	19,015,000	85,086,000	30,680,000	24,164,000	30,320,000	20,462,000	32,147,000	\$628,951,000
<b>LIABILITIES.</b>													
Capital paid in	5,024,000	11,902,000	5,224,000	5,997,000	3,325,000	2,493,000	6,676,000	2,794,000	2,597,000	3,043,000	2,689,000	3,920,000	\$55,684,000
Government deposits	2,580,000	2,945,000	3,678,000	2,301,000	4,417,000	3,924,000	3,262,000	3,999,000	1,124,000	881,000	1,956,000	2,904,000	\$33,971,000
Member bk deposits—Net	36,603,000	205,944,000	32,271,000	42,116,000	18,441,000	11,408,000	75,148,000	21,648,000	20,443,000	24,177,000	12,504,000	25,316,000	\$526,019,000
Fed. Res'v notes—Net					3,891,000	1,153,000		2,239,000		1,186,000	3,313,000		\$11,782,000
F.R. bank notes in circ'n										1,033,000			\$1,033,000
Due to F.R. banks—Net		3,972,000	6,135,000										
All other liabilities	168,000	7,000	118,000		125,000	37,000						7,000	\$462,000
Total liabilities	44,375,000	224,770,000	47,426,000	50,414,000	30,199,000	19,015,000	85,086,000	30,680,000	24,164,000	30,320,000	20,462,000	32,147,000	\$628,951,000
Federal Reserve Notes—													
Issued to banks	11,297,000	75,601,000	7,967,000	9,082,000	13,979,000	20,266,000	3,320,000	11,452,000	14,762,000	17,571,000	25,104,000	10,089,000	\$220,490,000
In hands of banks	1,646,000	7,968,000	638,000	367,000	629,000	1,868,000	1,280,000	1,108,000	1,507,000	454,000	173,000	1,488,000	\$19,126,000
F.R. notes in circulation	9,651,000	67,633,000	7,329,000	8,715,000	13,350,000	18,398,000	2,040,000	10,344,000	13,255,000	17,117,000	24,931,000	8,601,000	\$201,364,000
Gold and lawful money													
with agent	11,297,000	75,601,000	7,967,000	9,082,000	9,459,000	17,245,000	3,320,000	8,105,000	14,762,000	15,931,000	21,618,000	10,089,000	\$204,476,000
Carried to net assets	1,646,000	7,968,000	638,000	367,000			1,280,000		1,507,000			1,488,000	\$14,894,000
Carried to net liabilities					3,891,000	1,153,000		2,239,000		1,186,000	3,313,000		\$11,782,000

a Items in transit, i. e., total amounts due from less total amounts due to other Federal Reserve banks.

## STATEMENT OF FEDERAL RESERVE AGENTS' ACCOUNTS OCT. 6 1916.

	Boston.	New York.	Philadel'a	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneap.	Kan. City.	Dallas.	San Fran.	Total.
<b>Federal Reserve Notes—</b>													
Rec'd from Comptrolr	\$24,880,000	\$143,400,000	\$15,480,000	\$15,160,000	\$21,500,000	\$26,920,000	\$9,380,000	\$14,600,000	\$21,000,000	\$22,620,000	\$35,320,000	\$13,880,000	\$364,140,000



**Statement of New York City Clearing House Banks and Trust Companies.**—The following detailed statement shows the condition of the New York City Clearing House members for the week ending Oct. 7. The figures for the separate banks are the averages of the daily results. In the case of the totals, actual figures at end of the week are also given. In order to furnish a comparison, we have inserted the totals of actual condition for each of the three groups and also the grand aggregates for the three preceding weeks.

## NEW YORK WEEKLY CLEARING HOUSE RETURN.

CLEARING HOUSE MEMBERS.	Capital.	Net Profits.	Loans, Discounts, Investm'ts, &c.	Gold.	Legal Tenders.	Silver.	Nat. Bank Notes [Reserve for State Institutions].	Nat. Bank Notes [Not Counted as Reserve].	Federal Reserve Notes [Not Reserve].	Reserve with Legal Depositaries.	Add'l Deposits with Legal Depositaries.	Net Demand Deposits.	Net Time Deposits.	National Bank Circulation.
	Week Ending Oct. 7 1916. (00s omitted.)	[Nat. B'ks Sept. 12] [State B'ks Sept. 20]												
Members of Federal Reserve Bank.	\$	\$	Average.	Average.	Average.	Average.	Average.	Average.	Average.	Average.	Average.	Average.	Average.	Average.
Bank of N. Y., N.B.A.	2,000.0	4,887.0	33,679.0	2,159.0	1,112.0	440.0	-----	4.0	-----	2,216.0	-----	31,392.0	380.0	783.0
Merchants' Nat. Bank	2,000.0	2,419.0	27,395.0	1,858.0	722.0	684.0	-----	18.0	24.0	1,991.0	-----	25,947.0	-----	1,815.0
Mech. & Metals Nat.	6,000.0	9,455.2	123,717.0	12,872.0	1,195.0	3,846.0	-----	64.0	31.0	9,145.0	-----	128,091.0	2,686.0	4,957.0
National City Bank.	25,000.0	42,650.9	396,584.0	56,155.0	3,920.0	3,250.0	-----	17.0	773.0	31,277.0	-----	416,637.0	5,612.0	1,799.0
Chemical Nat. Bank.	3,000.0	8,264.6	36,668.0	2,033.0	744.0	782.0	-----	36.0	17.0	2,498.0	-----	31,061.0	-----	450.0
Atlantic National Bank	1,000.0	801.6	11,860.0	1,378.0	210.0	216.0	-----	11.0	21.0	1,096.0	-----	12,724.0	319.0	150.0
Nat. Butchers' & Drov.	300.0	93.0	2,893.0	64.0	41.0	83.0	-----	4.0	-----	129.0	-----	2,144.0	-----	50.0
Amer. Exch. Nat. Bank	5,000.0	5,378.9	86,108.0	7,351.0	695.0	1,478.0	-----	81.0	108.0	7,648.0	-----	83,939.0	4,512.0	4,826.0
National Bank of Com.	25,000.0	18,408.2	237,837.0	20,733.0	4,242.0	2,841.0	-----	-----	40.0	18,150.0	-----	243,838.0	1,070.0	155.0
Chatham & Phenix Nat.	3,500.0	2,009.3	60,905.0	3,613.0	1,573.0	1,311.0	-----	295.0	174.0	4,677.0	-----	60,179.0	5,211.0	1,773.0
Hanover National Bank	3,000.0	15,916.0	125,688.0	21,849.0	921.0	887.0	-----	42.0	26.0	11,846.0	-----	142,221.0	-----	130.0
Citizens' Central Nat.	2,550.0	2,532.2	27,504.0	1,060.0	107.0	1,127.0	-----	8.0	36.0	2,474.0	-----	24,842.0	1,452.0	1,017.0
Market & Fulton Nat.	1,000.0	2,037.7	10,545.0	956.0	414.0	560.0	-----	104.0	3.0	820.0	-----	10,262.0	-----	147.0
Corn Exchange Bank	3,500.0	7,086.8	90,701.0	6,754.0	1,266.0	4,088.0	-----	534.0	-----	7,000.0	-----	100,832.0	-----	-----
Importers' & Traders'	1,500.0	7,630.9	32,730.0	2,000.0	1,012.0	713.0	-----	7.0	-----	2,257.0	-----	29,616.0	-----	51.0
National Park Bank	5,000.0	15,909.7	143,555.0	12,968.0	1,327.0	1,946.0	-----	55.0	29.0	11,631.0	-----	145,404.0	1,891.0	3,556.0
East River Nat. Bank	250.0	77.3	2,373.0	87.0	35.0	206.0	-----	5.0	3.0	194.0	-----	2,279.0	25.0	50.0
Second National Bank	1,000.0	3,452.2	18,171.0	1,045.0	246.0	480.0	-----	32.0	55.0	1,107.0	-----	15,378.0	-----	693.0
First National Bank.	10,000.0	23,705.4	168,187.0	18,930.0	2,465.0	5,843.0	-----	11.0	-----	12,354.0	-----	170,182.0	125.0	4,496.0
Irving National Bank	4,000.0	4,077.5	73,293.0	5,328.0	1,080.0	4,462.0	-----	13.0	72.0	6,224.0	-----	81,575.0	390.0	640.0
N. Y. County Nat. Bk.	500.0	1,138.1	10,305.0	430.0	127.0	593.0	-----	98.0	20.0	771.0	-----	10,488.0	-----	198.0
Chase National Bank.	10,000.0	10,866.6	194,270.0	20,490.0	13,980.0	4,752.0	-----	60.0	108.0	15,893.0	-----	219,012.0	9,921.0	450.0
Lincoln National Bank.	1,000.0	1,942.8	19,002.0	1,798.0	826.0	253.0	-----	155.0	86.0	1,495.0	-----	19,983.0	41.0	895.0
Garfield National Bank	1,000.0	1,292.9	9,355.0	782.0	108.0	381.0	-----	31.0	90.0	713.0	-----	8,892.0	-----	398.0
Fifth National Bank.	250.0	425.7	5,577.0	123.0	102.0	212.0	-----	5.0	3.0	474.0	-----	5,092.0	154.0	248.0
Seaboard Nat. Bank.	1,000.0	2,983.9	40,933.0	2,929.0	1,856.0	1,217.0	-----	16.0	42.0	4,356.0	-----	47,363.0	-----	70.0
Liberty National Bank.	1,000.0	3,518.9	52,518.0	3,226.0	1,311.0	1,107.0	-----	21.0	-----	4,904.0	-----	56,353.0	2,020.0	499.0
Coal & Iron Nat. Bank.	1,000.0	749.2	9,340.0	752.0	102.0	185.0	-----	16.0	14.0	818.0	-----	9,625.0	240.0	413.0
Union Exchange Nat.	1,000.0	1,123.0	11,674.0	1,193.0	298.0	473.0	-----	18.0	8.0	909.0	-----	10,111.0	29.0	397.0
Nassau Nat. Bank.	1,000.0	1,131.9	9,945.0	444.0	126.0	521.0	-----	35.0	12.0	682.0	-----	9,640.0	18.0	50.0
Broadway Trust Co.	1,500.0	957.8	21,215.0	1,783.0	179.0	525.0	-----	52.0	23.0	1,708.0	-----	22,447.0	492.0	-----
Totals, ave. for week	123,850.0	202,974.2	2,094,532.0	212,143.0	42,342.0	45,463.0	-----	1,848.0	1,818.0	167,457.0	-----	2,177,549.0	36,597.0	31,156.0
Totals, actual condition	Oct. 7	-----	2,101,053.0	209,292.0	43,947.0	51,382.0	-----	1,635.0	1,923.0	173,122.0	-----	2,189,873.0	37,694.0	31,082.0
Totals, actual condition	Sept. 30	-----	2,080,244.0	215,183.0	38,634.0	43,581.0	-----	1,836.0	1,659.0	166,394.0	-----	2,160,361.0	35,866.0	31,149.0
Totals, actual condition	Sept. 23	-----	2,057,137.0	217,501.0	42,934.0	55,300.0	-----	2,094.0	1,830.0	177,039.0	-----	2,164,046.0	38,536.0	31,175.0
Totals, actual condition	Sept. 16	-----	2,054,517.0	200,617.0	44,145.0	51,854.0	-----	2,097.0	1,649.0	166,806.0	-----	2,133,953.0	42,331.0	31,307.0
State Banks.														
Not Members of Federal Reserve Bank.														
Bank of Manhattan Co.	2,050.0	5,165.5	42,720.0	6,278.0	2,912.0	670.0	85.0	-----	15.0	3,037.0	905.0	48,968.0	750.0	-----
Bank of America	1,500.0	6,383.9	32,767.0	4,038.0	1,674.0	807.0	90.0	-----	-----	-----	-----	31,534.0	-----	-----
Greenwich Bank	500.0	1,244.3	11,105.0	1,002.0	147.0	580.0	179.0	-----	-----	714.0	17.0	11,903.0	31.0	-----
Pacific Bank	500.0	1,019.6	6,746.0	557.0	465.0	73.0	123.0	-----	-----	-----	-----	6,121.0	-----	-----
People's Bank	200.0	457.5	2,766.0	180.0	70.0	157.0	7.0	-----	2.0	160.0	42.0	2,662.0	-----	-----
Metropolitan Bank	2,000.0	2,035.7	16,750.0	1,028.0	1,336.0	938.0	41.0	-----	22.0	-----	-----	15,920.0	-----	-----
Bowery Bank	250.0	799.0	3,987.0	323.0	52.0	68.0	38.0	-----	-----	216.0	115.0	3,600.0	-----	-----
German-American Bank	750.0	797.1	6,490.0	915.0	234.0	168.0	9.0	-----	-----	217.0	-----	6,744.0	-----	-----
Fifth Avenue Bank	100.0	2,267.6	17,599.0	2,128.0	875.0	896.0	37.0	-----	-----	-----	-----	18,832.0	-----	-----
German Exchange Bank	200.0	858.9	5,112.0	384.0	56.0	92.0	101.0	-----	-----	182.0	-----	4,622.0	-----	-----
Germania Bank	200.0	1,082.5	6,532.0	650.0	76.0	187.0	90.0	-----	-----	336.0	-----	6,612.0	-----	-----
Bank of Metropolis.	1,000.0	2,184.9	13,703.0	756.0	465.0	392.0	45.0	-----	20.0	777.0	1,071.0	12,948.0	-----	-----
West Side Bank	200.0	529.9	4,503.0	237.0	223.0	149.0	36.0	-----	-----	278.0	79.0	4,630.0	-----	-----
N. Y. Produce Ex. Bk.	1,000.0	1,123.6	16,223.0	1,413.0	361.0	364.0	87.0	-----	-----	1,109.0	872.0	17,617.0	-----	-----
State Bank	1,500.0	695.7	23,560.0	2,042.0	679.0	509.0	170.0	-----	-----	1,575.0	592.0	26,255.0	25.0	-----
Totals, ave. for week	11,950.0	26,645.7	210,563.0	21,931.0	9,625.0	6,050.0	1,138.0	-----	59.0	8,601.0	3,693.0	218,968.0	806.0	-----
Totals, actual condition	Oct. 7	-----	212,424.0	22,045.0	9,182.0	6,620.0	1,104.0	-----	48.0	8,698.0	4,065.0	221,056.0	806.0	-----
Totals, actual condition	Sept. 30	-----	209,923.0	22,412.0	8,571.0	6,747.0	1,141.0	-----	71.0	8,429.0	2,211.0	218,660.0	807.0	-----
Totals, actual condition	Sept. 23	-----	207,825.0	21,034.0	7,449.0	6,603.0	998.0	-----	74.0	8,543.0	3,783.0	213,548.0	808.0	-----
Totals, actual condition	Sept. 16	-----	206,145.0	20,513.0	8,041.0	6,409.0	1,036.0	-----	57.0	8,477.0	2,821.0	211,857.0	807.0	-----
Trust Companies.														
Not Members of Federal Reserve Bank.														
Brooklyn Trust Co.	1,500.0	4,031.4	31,969.0	1,896.0	361.0	211.0	219.0	-----	31.0	1,270.0	2,921.0	25,406.0	5,176.0	-----
Bankers' Trust Co.	10,000.0	16,403.0	211,587.0	17,678.0	1,741.0	648.0	20.0	-----	19.0	9,607.0	9,348.0	192,137.0	25,840.0	-----
U. S. Mfg. & Trust Co.	2,000.0	4,547.1	62,604.0	4,135.0	82.0	191.0	178.0	-----	19.0	2,276.0	4,565.0	45,521.0	17,361.0	-----
Astor Trust Co.	1,250.0	1,692.9	28,565.0	1,949.0	16.0	123.0	16.0	-----	-----	1,098.0				



The State Banking Department reports weekly figures, showing the condition of State banks and trust companies in New York City *not in the Clearing House*, and these are shown in the following table:

**SUMMARY OF STATE BANKS AND TRUST COMPANIES IN GREATER NEW YORK, NOT INCLUDED IN CLEARING HOUSE STATEMENT.**

(Figures Furnished by State Banking Department.) Differences from previous week.

Loans and investments.....	\$719,403,600	Dec.	\$975,300
Gold.....	58,555,600	Dec.	1,105,300
Currency and bank notes.....	9,672,900	Dec.	405,200
Total deposits.....	907,972,200	Dec.	4,263,900
Deposits, eliminating amounts due from reserve depositaries and from other banks and trust companies in New York City, and exchanges.....	766,246,400	Dec.	1,725,400
Reserve on deposits.....	204,214,700	Dec.	8,031,400
Percentage of reserve, 28.6%.			

RESERVE.			
	State Banks	Trust Companies	
Cash in vaults.....	\$12,484,300	10.58%	\$55,744,200 9.36%
Deposits in banks and trust cos.....	19,190,300	16.27%	116,795,900 19.62%
Total.....	\$31,674,600	26.85%	\$172,540,100 28.99%

The averages of the New York City Clearing House banks and trust companies, combined with those for the State banks and trust companies in Greater New York City outside of the Clearing House, compare as follows for a series of weeks past:

**COMBINED RESULTS OF BANKS AND TRUST COMPANIES IN GREATER NEW YORK.**  
*We omit ciphers in all these figures.*

Week ended—	Loans and Investments	Demand Deposits.	Specie.	Other Money.	Total Money Holdings.	Entire Reserve on Deposits.
	\$	\$	\$	\$	\$	\$
July 15.....	3,956,132.5	3,906,760.1	405,666.1	66,617.8	472,283.9	779,462.3
July 22.....	3,901,908.7	3,871,422.7	413,668.2	79,582.4	493,250.6	812,531.2
July 29.....	3,903,877.9	3,876,459.5	417,059.9	79,857.2	496,917.1	824,628.3
Aug. 5.....	3,926,634.6	3,840,711.7	417,394.3	77,337.1	494,731.4	828,101.3
Aug. 12.....	3,939,268.3	3,868,552.7	425,409.4	75,347.5	500,756.9	842,538.1
Aug. 19.....	3,952,230.3	3,899,806.1	434,356.5	74,696.7	509,053.2	846,646.0
Aug. 26.....	3,947,932.5	3,932,568.9	442,280.4	74,651.4	516,931.8	863,608.9
Sept. 2.....	3,966,687.2	3,973,033.4	441,533.7	75,932.3	517,466.0	861,249.6
Sept. 9.....	4,032,632.9	4,006,621.1	413,564.9	66,542.4	480,107.3	821,018.7
Sept. 16.....	4,028,996.0	4,005,139.9	411,874.2	69,334.1	481,208.3	833,730.4
Sept. 23.....	4,028,792.5	4,038,274.9	431,116.6	75,822.4	506,939.0	875,570.3
Sept. 30.....	4,059,932.9	4,067,109.0	433,820.9	72,725.7	506,546.6	877,445.1
Oct. 7.....	4,068,917.6	4,068,969.4	426,466.6	72,038.9	498,505.5	855,865.7

**Non-Member Banks and Trust Companies.**—Following is the report made to the Clearing House by clearing non-member institutions which are not included in the "Clearing House return" on the preceding page:

**RETURN OF NON-MEMBER INSTITUTIONS OF NEW YORK CLEARING HOUSE.**

CLEARING NON-MEMBERS.	Capital.		Loans, Discounts, Investments, &c.	Gold.	Legal Tenders.	Silver.	Nat. Bank Notes (Reserve for State Institutions)	Nat. Bank Notes (Not Counted as Reserve)	Federal Reserve Notes (Not Reserve)	Reserve with Legal Depositaries.	Additional Deposits with Legal Depositaries.	Net Demand Deposits.	Net Time Deposits.	National Bank Circulation.
	Week Ending Oct. 7 1916.	Net Profits. (Stat. bks. Sept. 12) (State bks. Sept. 20)												
<b>Members of Fed'l Reserve Bank</b>			<b>Average.</b>	<b>Average.</b>	<b>Average.</b>	<b>Average.</b>	<b>Average.</b>	<b>Average.</b>	<b>Average.</b>	<b>Average.</b>	<b>Average.</b>	<b>Average.</b>	<b>Average.</b>	<b>Average.</b>
Battery Park Nat.	400,000	326,000	5,824,000	558,000	67,000	77,000	-----	4,000	-----	482,000	-----	5,396,000	262,000	192,000
First Nat., Brooklyn	300,000	685,400	5,244,000	153,000	50,000	106,000	-----	14,000	15,000	604,000	219,000	4,817,000	120,000	291,000
Nat. City, Brooklyn	300,000	599,100	5,777,000	175,000	72,000	135,000	-----	8,000	9,000	723,000	174,000	5,943,000	40,000	119,000
First Nat., Jers. City	400,000	1,286,600	4,895,000	203,000	327,000	78,000	-----	14,000	12,000	559,000	3,335,000	4,660,000	-----	396,000
Hudson Co. N. J. C.	250,000	762,800	4,884,000	162,000	17,000	75,000	-----	92,000	3,000	482,000	954,000	4,016,000	-----	195,000
First Nat., Hoboken	220,000	627,900	6,016,000	160,000	21,000	41,000	-----	16,000	7,000	401,000	681,000	2,439,000	3,242,000	217,000
Second Nat., Hobok.	125,000	292,100	4,877,000	50,000	39,000	114,000	-----	4,000	3,000	310,000	521,000	2,166,000	2,166,000	98,000
<b>Total</b>	<b>1,995,000</b>	<b>4,579,900</b>	<b>37,517,000</b>	<b>1,461,000</b>	<b>593,000</b>	<b>626,000</b>	<b>-----</b>	<b>152,000</b>	<b>49,000</b>	<b>3,561,000</b>	<b>5,884,000</b>	<b>29,855,000</b>	<b>5,830,000</b>	<b>1,508,000</b>
<b>State Banks.</b>														
<b>Not Members of the Federal Reserve Bank.</b>														
Bank of Wash. H'ts.	100,000	420,600	2,234,000	136,000	9,000	59,000	29,000	-----	-----	111,000	49,000	1,862,000	-----	-----
Colonial Bank	400,000	895,000	8,429,000	488,000	143,000	460,000	104,000	-----	17,000	542,000	478,000	9,030,000	-----	-----
Columbia Bank	300,000	682,300	7,933,000	624,000	26,000	224,000	145,000	-----	-----	506,000	117,000	8,435,000	-----	-----
Fidelity Bank	200,000	191,900	1,307,000	109,000	11,000	30,000	12,000	-----	-----	73,000	218,000	1,218,000	-----	-----
International Bank	500,000	126,900	3,135,000	292,000	20,000	57,000	1,000	-----	1,000	178,000	396,000	2,970,000	101,000	-----
Mutual Bank	200,000	487,100	6,467,000	593,000	53,000	176,000	38,000	-----	-----	402,000	225,000	6,466,000	368,000	-----
New Netherland	200,000	233,900	4,003,000	223,000	37,000	184,000	60,000	-----	7,000	236,000	122,000	3,948,000	280,000	-----
Yorkville Bank	100,000	589,400	6,373,000	454,000	85,000	266,000	100,000	-----	-----	416,000	458,000	6,935,000	-----	-----
Mechanics', Bklyn.	1,600,000	874,000	18,161,000	840,000	144,000	700,000	284,000	51,000	-----	1,172,000	3,746,000	19,533,000	70,000	-----
North Side, Bklyn.	200,000	195,200	4,692,000	227,000	61,000	101,000	18,000	-----	-----	274,000	171,000	4,560,000	410,000	-----
<b>Total</b>	<b>3,800,000</b>	<b>4,696,300</b>	<b>62,734,000</b>	<b>3,986,000</b>	<b>589,000</b>	<b>2,257,000</b>	<b>791,000</b>	<b>51,000</b>	<b>25,000</b>	<b>3,910,000</b>	<b>5,980,000</b>	<b>64,957,000</b>	<b>1,229,000</b>	<b>-----</b>
<b>Trust Companies.</b>														
<b>Not Members of the Federal Reserve Bank.</b>														
Hamilton Trust, Bkin.	500,000	1,116,100	8,230,000	535,000	51,000	21,000	55,000	-----	3,000	332,000	1,896,000	6,652,000	953,000	-----
Mechanics', Bayonne	200,000	298,700	5,422,000	65,000	41,000	68,000	32,000	-----	13,000	160,000	1,819,000	3,202,000	2,849,000	-----
<b>Total</b>	<b>700,000</b>	<b>1,414,800</b>	<b>13,652,000</b>	<b>600,000</b>	<b>92,000</b>	<b>89,000</b>	<b>87,000</b>	<b>-----</b>	<b>16,000</b>	<b>492,000</b>	<b>3,715,000</b>	<b>9,854,000</b>	<b>3,802,000</b>	<b>-----</b>
<b>Grand aggregate</b>	<b>6,495,000</b>	<b>10,691,000</b>	<b>113,903,000</b>	<b>6,047,000</b>	<b>1,274,000</b>	<b>2,972,000</b>	<b>878,000</b>	<b>203,000</b>	<b>90,000</b>	<b>7,963,000</b>	<b>15,579,000</b>	<b>104,666,000</b>	<b>10,861,000</b>	<b>1,508,000</b>
Comparison, prev. wk.			+ 502,000	- 63,000	+ 39,000	+ 26,000	+ 28,000	+ 18,000	+ 22,000	+ 89,000	+ 1362,000	+ 1093,000	+ 58,000	4,000
Excess reserve.	\$50,870	decrease												
<b>Grand aggr'te Sept. 30</b>	<b>6,295,000</b>	<b>10,317,500</b>	<b>113,401,000</b>	<b>6,110,000</b>	<b>1,235,000</b>	<b>2,946,000</b>	<b>850,000</b>	<b>185,000</b>	<b>68,000</b>	<b>7,874,000</b>	<b>14,217,000</b>	<b>103,573,000</b>	<b>10,803,000</b>	<b>1,512,000</b>
<b>Grand aggr'te Sept. 23</b>	<b>6,295,000</b>	<b>10,317,500</b>	<b>112,771,000</b>	<b>6,213,000</b>	<b>1,246,000</b>	<b>2,900,000</b>	<b>754,000</b>	<b>222,000</b>	<b>78,000</b>	<b>7,794,000</b>	<b>13,409,000</b>	<b>103,352,000</b>	<b>10,705,000</b>	<b>1,513,000</b>
<b>Grand aggr'te Sept. 16</b>	<b>6,295,000</b>	<b>10,317,500</b>	<b>112,476,000</b>	<b>6,128,000</b>	<b>1,234,000</b>	<b>2,891,000</b>	<b>721,000</b>	<b>255,000</b>	<b>101,000</b>	<b>7,760,000</b>	<b>11,841,000</b>	<b>102,665,000</b>	<b>10,659,000</b>	<b>1,499,000</b>
<b>Grand aggr'te Sept. 9</b>	<b>6,295,000</b>	<b>10,317,500</b>	<b>111,363,000</b>	<b>6,015,000</b>	<b>1,272,000</b>	<b>2,847,000</b>	<b>748,000</b>	<b>267,000</b>	<b>79,000</b>	<b>7,683,000</b>	<b>11,490,000</b>	<b>101,541,000</b>	<b>10,571,000</b>	<b>1,516,000</b>
<b>Grand aggr'te Sept. 2</b>	<b>5,795,000</b>	<b>10,317,500</b>	<b>111,158,000</b>	<b>6,214,000</b>	<b>1,230,000</b>	<b>2,769,000</b>	<b>745,000</b>	<b>160,000</b>	<b>63,000</b>	<b>7,735,000</b>	<b>12,533,000</b>	<b>101,619,000</b>	<b>10,602,000</b>	<b>1,522,000</b>

**Philadelphia Banks.**—Summary of weekly totals of Clearing House banks and trust companies of Philadelphia:

*We omit two ciphers (00) in all these figures.*

	Loans, Disc'ts & Invest's.	Due from Banks.	Deposits.			Reserve Held.	Excess Reserve.
			Bank.	Int'dl.	Total.		
<b>Oct. 7.</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Nat. banks.	374,543.0	75,757.0	179,022.0	317,564.0	496,586.0	91,953.0	31,689.0
Trust cos.	152,275.0	5,513.0	4,096.0	142,458.0	146,554.0	27,503.0	6,776.0
<b>Total</b>	<b>526,818.0</b>	<b>81,270.0</b>	<b>183,118.0</b>	<b>460,022.0</b>	<b>643,140.0</b>	<b>119,456.0</b>	<b>38,465.0</b>
<b>Sept. 30.....</b>	<b>522,799.0</b>	<b>79,252.0</b>	<b>175,527.0</b>	<b>451,646.0</b>	<b>627,173.0</b>	<b>111,684.0</b>	<b>32,568.0</b>
<b>" 23.....</b>	<b>517,519.0</b>	<b>81,524.0</b>	<b>175,724.0</b>	<b>443,715.0</b>	<b>619,439.0</b>	<b>108,796.0</b>	<b>30,976.0</b>
<b>" 16.....</b>	<b>515,320.0</b>	<b>77,697.0</b>	<b>171,784.0</b>	<b>440,268.0</b>	<b>612,052.0</b>	<b>109,588.0</b>	<b>32,047.0</b>
<b>" 9.....</b>	<b>514,717.0</b>	<b>71,312.0</b>	<b>168,940.0</b>	<b>434,993.0</b>	<b>603,933.0</b>	<b>108,504.0</b>	<b>31,140.0</b>
<b>" 2.....</b>	<b>515,893.0</b>	<b>72,434.0</b>	<b>169,921.0</b>	<b>438,547.0</b>	<b>608,458.0</b>	<b>108,855.0</b>	<b>28,353.0</b>
<b>Aug. 26.....</b>	<b>511,475.0</b>	<b>69,971.0</b>	<b>168,209.0</b>	<b>429,679.0</b>	<b>597,888.0</b>	<b>108,373.0</b>	<b>31,310.0</b>
<b>" 19.....</b>	<b>510,242.0</b>	<b>72,588.0</b>	<b>166,587.0</b>	<b>431,907.0</b>	<b>598,494.0</b>	<b>106,982.0</b>	<b>30,395.0</b>
<b>" 12.....</b>	<b>508,341.0</b>	<b>66,743.0</b>	<b>161,405.0</b>	<b>427,724.0</b>	<b>589,129.0</b>	<b>105,238.0</b>	<b>29,179.0</b>
<b>" 5.....</b>	<b>509,061.0</b>	<b>68,772.0</b>	<b>161,584.0</b>	<b>425,290.0</b>	<b>586,874.0</b>	<b>97,790.0</b>	<b>22,699.0</b>

Note.—National bank note circulation Oct. 7, \$9,176,000; exchanges for Clearing House (included in "Bank Deposits"), banks, \$19,066,000; trust companies, \$2,859,000; total, \$21,925,000. Capital and surplus at latest dates: banks, \$64,175,600; trust companies, \$41,295,200; total, \$105,470,800.

In addition to the returns of "State banks and trust companies in New York City *not in the Clearing House*," furnished by the State Banking Department, the Department also presents a statement covering *all* the institutions of this class in the whole State. The figures are compiled so as to distinguish between the results for New York City (Greater New York) and those for the rest of the State, as per the following:

For definitions and rules under which the various items are made up, see "Chronicle," V. 98, p. 1661.

The provisions of the law governing the reserve requirements of State banking institutions were published in the "Chronicle" March 28 1914 (V. 98, p. 968). The regulations relating to calculating the amount of deposits and what deductions are permitted in the computation of the reserves were given in the "Chronicle" April 4 1914 (V. 98, p. 1045).

**STATE BANKS AND TRUST COMPANIES.**

<i>Week ended Oct. 7.</i>	<i>State Banks in Greater N. Y.</i>	<i>Trust Cos. in Greater N. Y.</i>	<i>State Banks outside of Greater N. Y.</i>	<i>Trust Cos. outside of Greater N. Y.</i>
	\$	\$	\$	\$
Capital as of June 30----	23,450,000	75,550,000	11,783,000	14,900,000
Surplus as of June 30----	40,068,500	173,239,300	14,654,000	14,381,600
Loans and investments..	399,200,300	1,661,138,300	158,354,900	250,891,000
Change from last week..	+1,954,800	-8,491,500	+655,200	+442,300
Gold-----	43,434,300	133,901,300	-----	-----
Change from last week..	+3,391,000	-2,796,100	-----	-----
Currency and bank notes..	20,434,500	16,036,200	-----	-----
Change from last week..	-662,000	-4,255,200	-----	-----
Deposits-----	553,987,700	1,989,867,800	173,895,900	270,396,100
Change from last week..	-1,786,100	-3,638,700	+2,503,100	+3,469,900
Reserve on deposits----	112,286,100	355,608,400	33,188,800	42,521,200
Change from last week..	+5,173,800	-10,901,600	+915,600	+3,645,100
P. c. of reserve to deposits	26.6%	22.9%	22.4%	19.6%
Percentage last week...	25.7%	23.4%	22.1%	18.0%



## ABSTRACT FROM REPORTS OF THE NATIONAL BANKS MADE TO THE COMPTROLLER JUNE 30 1916.

June 30 1916.	No. of Banks	Capital.	Surplus.	Undivided Profits.	Nat. Bank Notes Out.	Due to Banks, &c., Net.*	DEPOSITS.		Loans and Discounts.	United States Bonds.	Other Securities.	Due from Federal Reserve Banks.	Due from Approved Reserve Agents.	Due from Banks, &c., Net.*	Legal-Tender Notes.	Gold and Gold Certificates.	Silver and Silver Certificates.
							Demand.	Time.									
In thousands of dollars.		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Maine	67	7,415	3,757	2,769	5,790	2,355	25,928	29,750	37,311	6,189	22,417	1,617	4,722	455	486	1,342	413
New Hampshire	56	5,285	3,488	1,477	4,875	3,036	22,005	1,418	21,116	5,294	7,229	1,026	3,139	566	333	847	488
Vermont	48	4,985	2,127	1,863	4,357	1,472	10,259	12,565	20,244	4,569	7,398	703	2,709	368	262	601	211
Massachusetts	148	27,843	17,311	10,445	17,404	11,246	141,954	24,471	145,807	18,159	40,183	6,439	17,090	2,486	2,110	3,881	2,774
Boston	10	24,700	23,350	9,822	6,286	86,127	245,258	21,798	282,411	6,899	30,867	15,131	24,698	13,195	2,793	9,994	4,625
Rhode Island	17	5,570	4,062	2,422	4,308	2,120	30,233	2,676	28,016	4,622	10,998	1,334	2,426	641	346	929	608
Connecticut	71	19,850	11,244	6,479	12,962	7,612	96,909	12,313	89,894	13,619	25,588	4,367	14,586	3,350	1,211	3,410	1,782
New Eng. States.	417	95,648	65,339	35,277	55,982	113,968	572,546	104,991	624,799	59,351	144,680	30,617	69,370	21,061	7,541	21,004	10,901
New York	436	49,105	36,090	15,127	38,041	26,024	346,774	110,046	321,771	39,680	140,269	16,358	45,036	15,085	4,303	13,350	5,129
Albany	3	2,100	2,200	678	1,803	29,006	19,729	4,789	26,418	1,860	13,386	2,254	3,659	7,124	610	1,366	333
Brooklyn	5	2,000	2,200	527	561	5,303	21,860	32	16,513	590	6,109	1,394	1,551	564	209	964	703
N. Y. City	33	114,150	126,335	65,172	32,242	1,000,299	1,405,896	44,222	1,587,656	37,719	279,930	158,998	—	80,525	38,006	223,577	27,325
New Jersey	202	22,220	23,014	10,013	15,179	16,161	197,317	55,531	163,036	16,270	83,292	9,515	29,675	8,273	2,809	6,446	3,612
Pennsylvania	785	68,914	71,970	20,026	58,130	8,158	335,229	243,924	380,347	60,404	203,011	17,916	59,152	9,831	5,045	18,225	6,612
Philadelphia	30	21,055	38,825	6,431	9,955	153,812	272,468	1,948	297,429	10,234	59,145	19,699	35,481	26,224	2,059	15,769	5,606
Pittsburgh	18	27,750	18,010	5,677	15,524	107,916	150,283	15,518	137,904	16,670	63,750	10,823	40,933	22,233	2,510	10,212	2,713
Delaware	24	1,664	1,650	551	1,335	720	7,877	3,067	8,404	1,411	3,853	379	1,160	315	101	249	210
Maryland	84	5,119	3,992	1,251	4,015	735	18,104	26,397	32,726	4,218	13,215	1,198	3,528	832	363	1,018	573
Baltimore	13	11,111	7,895	1,927	6,477	34,537	52,149	2,664	64,920	7,361	9,187	3,442	8,387	7,060	307	2,617	2,021
Dist. of Columbia	1	252	298	91	245	28	1,193	—	693	251	701	52	247	11	6	35	18
Washington	13	6,907	4,944	752	5,976	6,140	31,309	7,273	29,348	6,573	12,370	1,699	2,856	4,238	355	1,765	693
Eastern States.	1,647	332,347	337,423	128,223	189,483	1,388,839	2,860,188	515,411	3,067,165	203,241	888,218	243,727	231,665	182,315	56,683	295,593	55,548
Virginia	135	13,789	8,182	2,907	11,491	6,042	56,260	25,266	82,687	12,970	4,481	2,785	9,017	3,083	851	2,058	1,180
Richmond	8	5,200	4,288	1,830	3,543	18,379	24,646	10,178	46,383	3,791	2,361	1,984	2,431	6,939	279	1,829	396
West Virginia	117	10,067	6,728	1,824	8,850	4,049	42,776	25,196	59,395	9,408	6,385	2,251	8,747	3,262	683	2,213	755
North Carolina	79	8,860	3,592	2,487	6,317	6,025	29,821	10,110	45,853	6,746	1,632	1,537	3,447	3,916	405	1,153	558
South Carolina	69	7,541	2,477	1,245	4,971	1,812	14,260	10,273	31,045	5,225	476	859	1,945	1,790	242	511	395
Charleston	5	1,600	691	778	999	1,870	4,214	4,222	8,627	1,153	1,508	312	587	1,256	145	124	219
Georgia	102	9,023	4,918	2,127	7,380	2,503	19,686	7,499	36,402	7,571	692	1,080	2,701	2,230	245	896	658
Atlanta	6	4,700	3,900	1,552	3,786	4,331	25,140	4,989	28,752	4,221	1,075	1,561	2,407	5,054	161	1,129	498
Savannah	2	900	700	193	800	1,255	2,194	62	4,186	905	130	210	366	475	22	154	109
Florida	56	7,260	3,550	1,679	5,815	8,858	30,707	16,877	39,487	6,419	5,535	1,716	6,014	7,733	630	1,323	842
Alabama	88	8,800	4,607	1,455	7,492	1,752	27,067	7,307	34,538	7,820	3,500	1,355	4,694	2,246	202	1,337	711
Birmingham	2	1,750	1,550	132	1,466	1,801	8,365	4,794	10,399	1,753	1,031	509	1,827	2,255	13	475	198
Mississippi	35	3,875	1,835	882	2,947	2,157	13,930	4,322	15,559	3,226	2,851	682	3,430	1,591	147	636	332
Louisiana	27	3,210	2,465	590	2,431	3,636	15,269	4,153	18,538	2,567	1,075	841	4,577	1,577	174	485	558
New Orleans	4	4,200	2,530	649	2,488	11,515	19,702	802	20,719	2,590	1,710	1,245	4,331	4,449	39	731	428
Texas	501	36,490	19,629	9,054	24,131	14,334	118,910	15,078	149,535	25,311	3,706	5,940	23,062	9,973	1,256	5,175	2,637
Dallas	4	4,150	2,550	1,110	3,542	6,078	23,338	1,192	23,074	3,722	1,703	1,275	4,388	4,585	46	1,341	315
Fort Worth	5	2,250	1,350	1,067	1,333	7,261	11,878	1,314	15,092	1,501	137	708	2,273	3,482	14	759	376
Galveston	2	500	300	112	455	858	2,185	2,575	3,033	505	223	366	861	409	103	395	284
Houston	6	5,500	1,750	1,093	3,550	10,467	21,465	6,094	27,712	3,730	650	1,837	3,772	4,789	230	1,561	636
San Antonio	8	3,150	1,285	333	2,941	3,471	11,744	1,120	12,594	3,282	446	796	2,026	1,810	85	851	536
Waco	5	1,750	450	259	1,500	889	4,307	861	5,757	1,540	27	261	498	833	69	208	288
Arkansas	67	5,521	2,312	1,016	3,031	4,805	20,091	1,859	21,869	3,253	1,023	939	4,607	3,414	211	863	415
Kentucky	132	12,231	5,374	1,491	11,340	1,786	39,435	10,224	50,188	12,189	4,042	1,766	6,207	1,308	418	1,755	654
Louisville	7	4,995	2,725	1,015	4,580	13,566	19,863	4,995	28,194	5,428	4,796	1,574	3,674	3,904	309	1,471	789
Tennessee	106	9,550	3,583	2,076	7,978	5,820	36,700	10,647	46,227	8,483	2,149	1,776	7,166	3,468	448	1,882	732
Chattanooga	3	2,050	925	367	1,950	2,869	4,854	7,582	13,034	2,098	573	376	1,017	1,436	514	148	135
Nashville	5	2,900	1,487	574	2,176	6,378	13,212	5,241	16,819	2,560	3,522	913	1,526	3,159	79	820	290
Southern States.	1,586	181,812	95,733	39,897	139,283	154,567	662,019	204,832	895,698								



## ABSTRACT FROM REPORTS OF THE NATIONAL BANKS MADE TO THE COMPTROLLER MAY 1 1916.

May 1 1916.	No. of Banks	Capital.	Surplus.	Undivided Profits.	Nat. Bank Notes Out.	Due to Banks, &c., Net.*	DEPOSITS.		Loans and Discounts.	United States Bonds.	Other Securities.	Deposits in Federal Reserve Banks.	Due from Approved Reserve Agents.	Due from Banks, &c., Net.*	Legal-Tender Notes.	Gold and Gold Certificates.	Silver and Silver Certificates.
							Demand.	Time.									
In thousands of dollars.		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Maine.....	67	7,415	3,753	2,841	5,746	2,195	24,142	28,370	35,566	6,119	20,908	1,174	5,241	395	426	1,303	434
New Hampshire.....	56	5,285	3,485	1,516	4,886	3,171	21,699	1,393	20,296	5,304	7,204	778	3,719	594	413	869	517
Vermont.....	48	4,985	2,103	2,035	4,342	1,290	10,302	11,996	20,211	4,580	7,098	537	2,526	388	244	602	216
Massachusetts.....	152	28,193	17,449	10,454	17,599	12,159	144,499	21,469	144,192	18,333	40,723	4,974	18,157	2,730	2,486	4,046	3,215
Boston.....	11	25,600	18,550	14,749	6,330	108,291	253,476	16,443	271,040	6,849	33,727	12,028	39,014	17,364	2,285	10,513	5,977
Rhode Island.....	37	5,570	4,062	2,420	4,326	2,083	30,375	2,575	27,543	4,623	10,586	986	3,118	693	378	1,013	555
Connecticut.....	71	19,849	11,234	6,549	12,931	6,944	96,667	9,974	86,660	13,619	25,228	3,101	14,486	3,216	1,513	3,302	2,293
New Eng. States.....	422	96,897	60,636	40,564	56,160	136,133	581,160	92,220	605,508	59,427	145,474	23,578	86,261	25,380	7,745	21,648	13,207
New York.....	440	49,368	36,385	16,319	38,990	27,862	347,326	106,602	318,972	40,655	136,349	13,620	52,036	16,981	4,386	12,918	5,248
Albany.....	3	2,100	2,200	728	2,009	29,244	21,854	4,544	24,788	2,110	14,202	2,053	6,343	10,003	627	1,407	302
Brooklyn.....	5	2,000	2,200	596	568	5,934	20,885	7	16,301	590	6,523	1,232	2,034	645	271	917	657
N. Y. City.....	33	114,150	126,335	63,213	32,209	1,150,718	1,470,192	29,971	1,626,324	37,745	293,349	168,781	-----	94,660	29,307	226,119	32,527
New Jersey.....	204	22,289	22,993	10,413	15,635	18,122	194,836	53,441	159,033	17,680	81,039	7,204	33,403	8,474	3,112	6,398	3,809
Pennsylvania.....	784	68,859	71,830	20,967	58,025	7,479	333,238	234,960	377,613	60,304	195,435	13,258	61,743	9,274	5,223	18,356	6,460
Philadelphia.....	30	21,055	38,575	6,832	9,895	163,942	285,220	1,808	296,536	10,436	60,396	16,042	47,164	27,143	2,825	18,095	6,274
Pittsburgh.....	18	27,750	18,010	5,498	15,888	105,212	138,000	16,381	129,838	17,135	65,609	8,406	36,223	21,232	2,444	10,341	2,434
Delaware.....	24	1,664	1,649	582	1,342	628	7,358	2,958	8,237	1,411	3,593	285	1,106	231	132	242	164
Maryland.....	84	5,119	3,979	1,338	4,022	495	17,868	25,689	32,434	4,208	12,972	938	3,213	731	352	1,043	552
Baltimore.....	13	11,111	7,395	2,601	6,631	34,057	48,713	2,300	64,769	7,524	9,262	2,766	7,439	5,886	241	1,983	2,277
Dist. of Columbia.....	1	252	298	103	245	33	1,190	-----	697	251	608	37	353	10	7	48	14
Washington.....	13	6,905	4,939	730	5,822	6,778	30,681	6,895	28,716	6,473	11,467	1,394	2,910	4,275	353	1,753	581
Eastern States.....	1,652	332,622	336,788	129,920	191,281	1,550,504	2,917,361	485,556	3,084,258	206,522	890,804	236,016	253,967	199,545	49,280	299,620	61,299
Virginia.....	132	13,676	8,088	3,480	11,500	5,437	54,913	24,269	81,612	12,909	4,194	2,157	7,939	2,629	852	2,086	1,167
Richmond.....	8	5,200	4,286	2,067	3,551	18,121	23,528	9,144	43,245	3,903	1,718	1,782	2,683	7,790	249	1,810	365
West Virginia.....	117	10,067	6,698	1,923	8,742	3,900	42,778	24,190	58,947	9,311	6,078	1,712	8,892	3,141	675	2,220	700
North Carolina.....	78	8,835	3,523	2,564	6,318	7,008	30,088	9,676	45,774	6,892	1,518	1,139	3,896	4,782	355	1,097	589
South Carolina.....	67	7,467	2,456	1,446	4,947	2,176	15,966	9,742	30,506	5,170	538	759	2,247	2,140	198	562	434
Charleston.....	6	1,600	691	825	1,025	1,986	3,960	4,029	8,727	1,153	1,110	248	723	1,256	129	154	190
Georgia.....	103	9,053	4,909	2,248	7,386	2,789	21,193	7,291	36,258	7,602	603	920	3,287	2,805	272	878	662
Atlanta.....	6	4,700	3,900	1,653	3,786	4,807	24,948	4,928	27,636	4,221	802	1,304	3,587	5,380	186	1,039	487
Savannah.....	2	900	700	218	800	1,566	2,036	76	4,185	905	130	183	279	530	37	135	101
Florida.....	56	7,260	3,533	1,702	5,733	10,768	32,379	15,371	39,569	6,384	4,870	1,307	8,333	8,356	630	1,308	775
Alabama.....	88	8,800	4,581	1,648	7,473	1,963	27,136	6,839	35,358	7,822	2,917	1,036	4,368	2,437	186	1,315	638
Birmingham.....	2	1,750	1,550	141	1,471	1,874	8,168	4,581	10,356	1,753	1,059	394	1,343	2,543	7	496	230
Mississippi.....	35	3,875	1,823	926	2,943	2,043	14,036	4,060	15,754	3,212	2,731	558	3,333	1,538	145	618	304
Louisiana.....	27	3,210	2,451	678	2,439	3,364	15,411	4,331	18,405	2,607	969	680	4,686	1,680	175	486	566
New Orleans.....	4	4,200	2,530	824	2,488	11,923	19,325	870	21,731	2,590	1,665	1,113	4,099	4,364	35	992	331
Texas.....	499	36,252	19,527	9,331	24,107	14,741	125,082	14,507	147,554	25,244	3,684	4,852	28,174	11,515	1,381	5,040	2,931
Dallas.....	4	4,150	2,550	1,123	3,544	8,374	23,823	1,164	22,273	3,722	1,746	1,114	6,585	5,121	85	1,256	261
Fort Worth.....	5	2,250	1,350	1,111	1,391	7,478	11,988	1,273	14,881	1,501	142	587	2,692	3,765	15	735	354
Galveston.....	2	500	300	115	454	1,229	2,053	2,524	3,461	515	241	231	730	410	93	334	240
Houston.....	6	5,500	1,750	1,179	3,545	12,239	22,615	5,685	28,959	3,730	541	1,482	4,948	5,203	280	1,552	673
San Antonio.....	8	3,150	1,255	451	2,897	3,927	11,529	1,181	13,187	3,282	828	614	1,395	1,944	109	1,043	484
Waco.....	5	1,750	450	240	1,500	1,411	4,481	798	5,845	1,540	21	235	788	1,077	67	207	306
Arkansas.....	64	5,396	2,281	1,070	3,060	5,660	19,987	1,821	21,588	3,295	1,030	742	5,350	3,602	254	866	413
Kentucky.....	132	12,231	5,483	1,816	11,390	1,452	37,735	9,807	49,847	12,308	3,843	1,337	5,975	1,001	389	1,752	571
Louisville.....	7	4,995	2,715	1,072	4,526	13,431	19,146	4,871	27,228	5,428	4,639	1,204	3,633	4,496	274	1,510	430
Tennessee.....	105	9,500	3,564	2,076	7,978	6,020	36,641	10,234	45,451	8,498	2,003	1,313	7,443	3,843	422	1,911	704
Chattanooga.....	3	2,050	925	359	1,950	3,026	4,964	7,597	12,832	2,098	453	311	1,122	1,571	615	147	140
Nashville.....	5	2,900	1,487	495	2,199	6,626	13,616	5,116	16,765	2,560	3,210	735	2,099	3,439	147	816	171
Southern States.....	1,575	181,217	95,356	42,781	139,143	165,339	669,525	195,975									



## Bankers' Gazette.

Wall Street, Friday Night, Oct. 13 1916.

**The Money Market and Financial Situation.**—The stirring events at Newport and in its adjacent waters last Sunday were quickly and generously responded to in the Wall Street markets. The conditions there existing, however, were in such a shape that the result could not have been otherwise. Indeed, after such an advance as had taken place, almost without interruption, during the last two or three months a much less important affair than that of Sunday would probably have had a similar effect. Moreover, this effect, referred to somewhat in detail below, seems likely to prove more or less permanent as the security markets are thus far slow in recovering from the shock. Evidently the future course of the market is difficult to forecast.

Without an explanation the Steel Corporation's latest report of unfilled orders might be misleading. It is well known that the company has for some time past declined orders calling for delivery during the current calendar year, and doubtless this accounts for the fact that its unfilled orders at the end of September were smaller than in previous statements. On the other hand, there is nothing ambiguous contained in the wheat crop report. The Government estimate of the probable spring wheat yield places it at a trifle more than one-half the average crops of the last two years, and it is a well-known fact that the entire world's crop of wheat this year is exceptionally limited. The British Government is reported to have commandeered the Canadian wheat crop, and, according to cable dispatches, has also taken control of all wheat importations. For this or other reasons, which might include increased shipping risks, wheat has declined in the markets of this country during the week.

Bankers have been interested in the German Bank's statement, which showed unusual conditions following the close of war-loan subscriptions, and in an advance in call loan rates in this market on Monday to 4%. This rate was an incident of stock market conditions on that day.

**Foreign Exchange.**—There was no change in the sterling exchange situation, even the nervousness resulting from the submarine raid of Sunday failing to influence fluctuations to any extent. The continental exchanges were irregular.

To-day's (Friday's) actual rates for sterling exchange were 6 7/16 for sixty days, 4 7/8 for cheques and 4 7/8-16 for cables. Commercial on banks, sight, 4 7/8-16; sixty days, 4 7/8 @ 4 7/8; ninety days, 4 6 1/2 @ 4 6 1/2, and documents for payment (sixty days), 4 7/8. Cotton for payment 4 7/8-16 and grain for payment 4 7/8-16.

To-day's (Friday's) actual rates for Paris bankers' francs were 5 90 for long and 5 85 1/2 for short. Germany bankers' marks were 70% for sight, nominal for long and nominal for short. Amsterdam bankers' guilders were 40% for short.

Exchange at Paris on London, 27.81 1/2 francs; week's range, 27.81 1/2 francs high and 27.81 1/2 francs low. Exchange at Berlin on London not quotable. The range for foreign exchange for the week follows:

*Sterling, Actual—Sixty Days. Cheques. Cables.*

High for the week... 4 7 1/8 4 8 1/2-16 4 8 7/8-16

Low for the week... 4 7 1/8 4 8 1/2 4 8 6 1/2

*Paris Bankers' Francs—*

High for the week... 5 90 5 83 1/2 5 83 1/2

Low for the week... 5 90 5 85 5 84 1/2

*Germany Bankers' Marks—*

High for the week... 70 70 70

Low for the week... 70 70 70

*Amsterdam Bankers' Guilders—*

High for the week... 40 40 40

Low for the week... 40 40 40

**Domestic Exchange.**—Chicago, 10c. per \$1,000 discount. Boston, par. St. Louis, 15c. per \$1,000 discount bid and 10c. discount asked. San Francisco, 10c. per \$1,000 premium. Montreal, par. Minneapolis, 30c. per \$1,000 premium. Cincinnati, par. New Orleans, sight, 50c. per \$1,000 discount and brokers 50c. premium.

**State and Railroad Bonds.**—Sales of State bonds at the

Board this week are limited to \$17,000 Virginia 6s, trust company receipts at 5 1/2 to 55 and \$6,000 N. Y. State 4 1/2s at 115 1/2.

In sympathy with the movement of shares, values of railway and industrial bonds declined this week. Only six, from a list of 25 most active issues, advanced. Southern Ry. gen. 4s, the most spectacular, advanced from 73 3/8 to 75 3/4 following the publication of that company's very favorable annual report and earnings statement. Seaboard Air Line adj. 5s gained 2 points to 67, while Chicago Rock Island & Pacific ref. 4s and deb. 5s gained 2 1/2 and 2 1/2 points, closing at 75 1/4 and 60 1/2, respectively. American Smelters Securities 6s, reversing their movement of a week ago, declined from 112 3/4 to 110. In sympathy with the stock and probably due to submarine activities of the recent week, International Mercantile Marine s. f. 6s w. i. fell off from 99 to 97 3/4. Erie temp. con. 4s Ser. D declined from 88 1/4 to 87. Southern Pacific con. 5s lost 1 3/8 points, closing at 104 3/8, while Steel s. f. 5s, N. Y. Central deb. 6s and Balt. & Ohio conv. 4 1/8s lost slightly.

✓ Sales on a s-20-f basis, indicating, presumably, sales on foreign account, have declined considerably, being \$15,000 as against \$94,000 a week ago.

**United States Bonds.**—Sales of Government bonds at the Board include \$51,000 Panama 3s, coup., at 103, and \$5,000 4s, reg., at 110 3/4. For to-day's prices of all the different issues and for the week's range see third page following.

**Railroad and Miscellaneous Stocks.**—Despite the fact that no effect was noted from reports, given out on Friday last, that peace overtures were on the way, the transfer of German submarine activities to our own shores was too much for the top-heavy condition of the market. The resulting crash in prices was more serious and far reaching than any similar movement since the sinking of the Lusitania a year ago last May. Steel dropped off from 115 1/2 to 108

and Republic Iron & Steel, the most extreme instance, declined 18 points, 8 of which were lost on the first sale. Tuesday, however, showed the excitement more or less abated and with gains general throughout the list. Needless to say that sales have averaged over a million shares a day, on Monday amounting to 1,908,875 shares. Industrial Alcohol fell from 125 5/8 to 117, but closed tonight at 118, while International Mercantile Marine com. and pref. lost 6 3/4 and 12 1/4 points respectively, for the week. The copper issues lost considerable ground and Crucible Steel declined from 91 1/2 to 79 1/2, the closing price tonight being at that figure.

Among the railroad issues Union Pacific was the most spectacular. From 149 1/8, the closing price last Friday, it declined 6 1/2 points to 143, the final quotation tonight being 146 3/8. Renewing its marked advance of last week, Norfolk & Western, after falling, on Monday, from 141 1/4 to 137, closed tonight at 144 3/8, showing a net gain for the week of 1 1/2 points. Southern Railway also advanced from 26 1/4 to 30 3/4, the close being at 27 1/4. From a list of 45 most active issues, both railway and industrial, these two and American Beet Sugar were the only ones to show any advancement. New York Central fell from 111 1/8 to 106 1/2, but recovered at the close to 107 1/2, while the high, low and last prices of Reading, Baltimore & Ohio and Atchison were 111 1/8-115 1/8-105 1/2; 89-85-87 and 106 3/4-104 3/4-105 1/8.

For daily volume of business see page 1400.

The following sales have occurred this week of shares not represented in our detailed list on the pages which follow:

STOCKS. Week ending Oct. 13.	Sales for Week.	Range for Week.		Range since Jan. 1.	
		Lowest.	Highest.	Lowest.	Highest.
Acme Tea tem cts. 100	300	57 1/2	Oct 13 57 1/2	Oct 11 51	Aug 59 1/4
1st pref tem cts. 100	100	96	Oct 13 96	Oct 13 93 1/2	Sept 97 1/2
American Express 100	100	130	Oct 7 130	Oct 7 123	June 140 1/2
Am Brake S & F cts. 100	50	109 1/2	Oct 13 109 1/2	Oct 13 100	Apr 109 1/2
Assets Realization 100	400	2 1/2	Oct 10 2 1/2	Oct 10 2 1/2	Oct 8
Associated Oil 100	100	67 1/2	Oct 11 67 1/2	Oct 11 62	Jan 77
Batoplas Mining 20	900	1 1/2	Oct 11 1 1/2	Oct 10 1 1/2	June 3 1/2
Brooklyn Union Gas 100	400	132	Oct 10 133 1/2	Oct 13 126	Apr 133 1/2
Brunswick Terminal 100	2,200	8 1/2	Oct 10 10	Oct 13 6	July 14
Burns Bros 100	100	78 1/2	Oct 10 78 1/2	Oct 10 66	Aug 87
Butterick 100	100	28	Oct 11 28	Oct 11 28	Apr 31
Case (J I), pref 100	300	82	Oct 7 83	Oct 7 82	Oct 90
Chicago & Alton 100	200	9 1/2	Oct 9 10 1/2	Oct 7 8	Feb 11 1/2
Preferred 100	100	24 1/2	Oct 11 24 1/2	Oct 11 18	Sept 24 1/2
Chle St P M & O 100	100	118	Oct 9 118	Oct 9 115 1/2	Sept 123
Cluett, Peabody & Co 100	200	71	Oct 11 71 1/2	Oct 9 68	Apr 76
Preferred 100	200	109	Oct 11 109 1/2	Oct 10 108	June 112
Cons Gas E L & P (Balt) 100	11,300	115	Oct 7 116 1/2	Oct 11 108 1/2	Mar 116 1/2
Deere & Co, pref 100	300	95	Oct 7 95	Oct 10 89	May 98 1/2
Detroit Edison 100	125	140 1/2	Oct 9 140 1/2	Oct 9 131	Mar 141 1/2
Dul S S & A pref 100	100	12 1/2	Oct 11 12 1/2	Oct 11 10	Jan 14
Elec Storage Battery 100	200	66	Oct 13 67	Oct 13 58	Apr 72
Homestake Mining 100	100	135 1/2	Oct 7 135 1/2	Oct 7 126	Jan 135 1/2
Ingersoll-Rand 100	126	259	Oct 7 260	Oct 7 205	Apr 300
Int Harvest Corp 100	400	78	Oct 10 79	Oct 7 68 1/2	Mar 84 1/2
Int Harvest N J pref 100	200	120	Oct 7 121	Oct 7 114	Feb 122
Int Nickel pref v t c 100	100	106 1/2	Oct 11 106 1/2	Oct 11 105	Aug 111 1/2
Jewel Tea pref 100	550	107	Oct 9 110	Oct 10 104	July 113
K C Ft S & M pref 100	153	71	Oct 13 71	Oct 13 60	Mar 73
Kayser (Julius) & Co 100	100	97	Oct 9 97	Oct 9 80 1/2	Mar 100
Keokuk & Des M 100	200	4	Oct 10 4 1/2	Oct 10 3	Mar 5 1/2
Kings Co E L & P 100	10	130 1/2	Oct 10 130 1/2	Oct 10 126 1/2	May 131
Laclede Gas 100	3,000	106	Oct 10 109	Oct 11 103 1/2	Mar 109
Liggett & Myers pref 100	19	122 1/2	Oct 11 122 1/2	Oct 11 118	Mar 122 1/2
Loose-Wiles Biscuit 100	300	17	Oct 11 18	Oct 11 14	Sept 21
1st preferred 100	100	81 1/2	Oct 13 81 1/2	Oct 13 78	Mar 91 1/2
May Dept Stores 100	200	66 1/2	Oct 11 66 1/2	Oct 13 50 1/2	Jan 68 1/2
Preferred 100	100	106	Oct 10 106	Oct 10 102 1/2	Jan 109
Minn & St Louis new 100	800	27 1/2	Oct 13 29	Oct 10 26	Oct 29
Nat Rys Mex 2d pref 100	400	5 1/2	Oct 9 5 1/2	Oct 9 5 1/2	Oct 9 1/2
N Y C & St L 2d pf 100	200	55	Oct 11 55	Oct 11 50	Apr 67
1st preferred 100	100	75	Oct 13 75	Oct 13 75	Oct 90 1/2
Norfolk Southern 100	200	24 1/2	Oct 13 24 1/2	Oct 13 20	Apr 27
Owens Bottle-Mach. 25	1,400	91	Oct 7 95	Oct 11 83	Sept 96
Preferred 100	100	116 1/2	Oct 7 116 1/2	Oct 7 116 1/2	Oct 117
Pacific Tel & Tel 100	100	34 1/2	Oct 11 34 1/2	Oct 11 32 1/2	Apr 44
Peoria & Eastern 100	600	14 1/2	Oct 9 15 1/2	Oct 10 8	Mar 15 1/2
Pittsburgh Coal 100	300	36 1/2	Oct 11 37 1/2	Oct 11 22 1/2	Apr 38 1/2
Pitts Ft Wayne & C 100	100	156	Oct 11 156	Oct 11 155 1/2	July 158
Pitts Steel pref 100	500	104	Oct 9 105 1/2	Oct 13 93 1/2	Feb 106
Quicksilver Mining 100	400	2 1/2	Oct 11 2 1/2	Oct 9 2 1/2	Mar 6 1/2
Preferred 100	200	3 1/2	Oct 13 4	Oct 7 3 1/2	May 8 1/2
Sloss-Sheff S & I pref 100	300	96	Oct 9 97	Oct 11 91 1/2	Apr 101
Standard Milling 100	325	97 1/2	Oct 13 99 1/2	Oct 10 86	Mar 103 1/2
Preferred 100	100	92	Oct 10 92	Oct 10 85	Aug 94
Tol St L & W pref 100	100	14	Oct 7 14	Oct 7 10	Feb 18 1/2
Preferred tr refts 100	100	13	Oct 7 13	Oct 7 8	Feb 13
United Cigar Mfrs 100	200	47	Oct 10 47	Oct 11 46	Oct 64
U S Realty & Impt 100	100	30	Oct 9 30	Oct 9 25	June 49
U S Reduc & Refg 100	600	1 1/2	Oct 13 1 1/2	Oct 11 1	June 3 1/2
Preferred 100	100	1 1/2	Oct 11 1 1/2	Oct 11 1 1/2	Aug 4
Wells, Fargo Express 100	300	128	Oct 10 129 1/2	Oct 10 123 1/2	May 135

**Outside Securities.**—Business at the Broad Street "curb" has, as in other securities markets, been irregular. Sales have been large and prices have generally declined. Aetna Explosives, after advancing from 10 3/4 to 11 1/4, closed at 10 1/8. Butterworth-Judson moved down from 72 3/8 to 68 1/2, recovered to 71 1/2 and closed at 69 3/4. Chevrolet Motors dropped from 195 to 185, the final quotation, however, being 191. Gaston, Williams & Wigmore fluctuated between 50 1/2 and 47, while General Motors lost 9 points for the week, the closing figure being 150. After advancing to 15, Kathodion Bronze pref. closed at 9 1/2, and Midvale Steel fluctuated between 66 and 69 1/8, closing 3/4 points above the low mark. The high, low and last prices for Submarine Boat and White Motors were 43-38-41 1/2; and 58 1/8-54 1/2-56 3/4. Standard Oil securities were active, but, following the general trend of the market, declined in value. Illinois Pipe Line dropped from 197 to 193, Prairie Oil & Gas fluctuated between 443 and 458, and Prairie Pipe Line moved between 286 and 297. Standard Oil of New York fell from 236 to 228, and Standard Oil of New Jersey covered a range of 12 points. The other oil issues were active and sold for the most part at advancing prices.

A complete record of "curb" transactions for the week will be found on page 1400.



# 1392 New York Stock Exchange—Stock Record, Daily, Weekly and Yearly

OCCUPYING TWO PAGES.

For record of sales during the week of stocks usually inactive, see preceding page.

HIGH AND LOW SALE PRICES—PER SHARE, NOT PER CENT.						Sales for the Week Shares	STOCKS NEW YORK STOCK EXCHANGE		PER SHARE Range Since Jan. 1 On basis of 100-share lots		PER SHARE Range for Previous Year 1915	
Saturday Oct. 7.	Monday Oct. 9.	Tuesday Oct. 10.	Wednesday Oct. 11.	Thursday Oct. 12.	Friday Oct. 13.				Lowest	Highest	Lowest	Highest
\$ per share	\$ per share	\$ per share	\$ per share	\$ per share	\$ per share							
106 107	104 105 1/2	105 1/4 106 1/4	105 106 1/4	105 106 1/4	105 106 1/4	25,200	Ach Topeka & Santa Fe	100	100 1/4 Apr 22	108 3/4 Oct 5	92 1/2 Feb	111 1/4 Nov
100 100 1/4	100 100 1/4	100 100 1/4	100 100 1/4	100 100 1/4	100 100 1/4	1,025	Do pref.	100	98 3/4 Aug 30	102 Feb 24	96 Jan	102 1/2 Nov
119 119	*118 121	118 1/4 121 1/2	*118 121			500	Atlantic Coast Line RR.	100	106 1/2 Apr 19	121 1/2 Oct 10	98 Mar	116 Nov
88 7/8 89 1/4	85 87 1/2	87 1/2 88 1/4	87 7/8 88 1/2	87 7/8 88 1/2	87 7/8 88 1/2	15,200	Baltimore & Ohio	100	82 3/4 Apr 24	96 Jan 4	63 3/4 Feb	96 Dec
76 76	76 76	75 1/2 76	76 76	76 76	76 76	1,500	Do pref.	100	72 1/2 Aug 30	80 Jan 15	67 Feb	79 1/4 Nov
85 1/2 85 1/2	84 1/4 85	85 85	84 84 1/2	84 84 1/2	84 84 1/2	1,500	Brooklyn Rapid Transit	100	83 1/2 Sept 25	88 3/4 June 6	83 1/4 Aug	93 Apr
179 179 1/2	177 1/2 178 1/2	176 3/4 178 1/2	175 1/2 176 1/2	175 1/2 176 1/2	175 1/2 176 1/2	11,200	Canadian Pacific	100	162 1/2 Mar 5	183 1/4 Jan 3	138 July	194 Nov
67 68	65 1/2 66 1/2	66 67 1/2	65 1/2 67 1/2	65 1/2 67 1/2	65 1/2 67 1/2	38,200	Chesapeake & Ohio	100	58 Apr 24	69 1/4 Oct 5	35 1/2 July	64 1/2 Nov
13 13 1/4	13 13 1/4	13 13 1/4	13 13 1/4	13 13 1/4	13 13 1/4	4,700	Chicago Great Western	100	11 3/4 Apr 24	15 1/2 Jan 3	10 1/4 Jan	17 1/2 Nov
38 1/4 40	37 38 1/4	39 40 1/4	38 1/4 40 1/4	38 1/4 40 1/4	38 1/4 40 1/4	18,100	Do pref.	100	33 Apr 24	40 1/4 Oct 10	25 1/2 May	41 1/2 Nov
96 1/2 97	95 96	95 1/2 96 1/2	94 1/4 96	94 1/4 96	94 1/4 96	12,272	Chicago Milw & St Paul	100	91 Apr 22	102 1/2 Jan 3	77 1/4 July	101 1/2 Dec
128 1/4 128 1/4	126 1/2 127	127 1/2 127 1/2	128 128 1/2	128 128 1/2	128 128 1/2	1,400	Do pref.	100	124 1/2 Sept 13	136 1/2 Jan 5	120 7/8 Sep	135 Dec
*128 130	128 1/4 128 1/4	128 1/4 128 1/4	127 1/2 128	127 1/2 128	127 1/2 128	*127 129	Chicago & Northwestern	100	124 Sept 8	134 1/2 Jan 3	118 1/2 July	135 1/2 Nov
*171 175	171 175	*171 175	*171 175			*170 180	Do pref.	100	165 Apr 13	175 Jan 11	163 July	180 Nov
19 1/2 20 1/2	19 1/2 20 1/2	20 1/2 22 1/2	21 1/2 22	21 1/2 22	21 1/2 22	85,500	Chicago Rock Isl & Pac.	100	15 1/2 Apr 22	24 1/2 June 21	10 1/2 July	38 1/2 Apr
57 1/2 57 1/2	56 1/2 56 1/2	56 1/2 57 1/2	57 57 1/2	57 57 1/2	57 57 1/2	1,200	Clev Cin Chic & St Louis	100	38 Apr 27	59 1/2 June 8	21 Jan	52 Oct
84 1/2 84 1/2	84 1/2 84 1/2	*83 84 1/2	84 84	84 84	84 84	700	Do pref.	100	70 Feb 2	86 June 14	53 1/2 Feb	77 Oct
33 1/2 35	33 1/2 35	35 1/2 36 1/4	34 1/2 35 1/2	34 1/2 35 1/2	34 1/2 35 1/2	33 34	Colorado & Southern	100	24 1/4 Apr 24	36 1/2 June 13	24 Mar	38 1/2 Nov
61 61 1/2	61 61	62 62	*61 62	*61 62	*61 62	*60 62	Do 1st pref.	100	46 Apr 1	62 Oct 10	45 Jan	60 Nov
*48 52	*48 52	*48 52	*48 54	*48 54	*48 54	*48 52	Do 2d pref.	100	40 Mar 13	57 1/2 June 10	35 Sep	52 Nov
*152 157	152 157	*140 141	*151 156	*151 156	*151 156	100	Delaware & Hudson	100	149 1/2 Apr 20	156 Oct 4	138 1/2 Aug	154 1/2 Nov
*231 1/2 240	*238 240	*238 240	238 238	238 238	238 238	*231 1/2 240	Delaware Lack & Western	50	216 Mar 18	238 Sept 26	199 1/2 Jan	238 Nov
18 1/2 19	17 1/2 17 1/2	18 1/2 18 1/2	18 18 1/2	18 18 1/2	18 18 1/2	18 18 1/2	Denver & Rio Grande	100	8 3/4 Mar 30	19 1/4 Oct 6	4 Jan	16 1/2 Nov
41 1/4 43 1/2	37 40 1/2	41 44	40 1/2 43 1/2	40 1/2 43 1/2	40 1/2 43 1/2	20,700	Do pref.	100	15 Mar 8	45 1/2 Oct 6	6 1/2 Jan	29 1/2 Nov
39 1/4 40	36 1/2 39 1/4	37 39 1/2	37 39 1/2	37 39 1/2	37 39 1/2	77,600	Erie	100	32 Apr 22	43 1/2 Jan 3	19 7/8 Feb	45 1/2 Nov
54 1/2 54 1/2	53 53 1/2	53 54 1/2	53 53 1/2	53 53 1/2	53 53 1/2	52 1/2 54	Do 1st pref.	100	48 Apr 22	59 1/2 Jan 3	32 1/2 Feb	59 1/2 Nov
45 1/2 45 1/2	44 45	45 45	*44 1/2 45 1/2	*44 1/2 45 1/2	*44 1/2 45 1/2	800	Do 2d pref.	100	41 Apr 22	54 1/2 Jan 3	27 Feb	54 1/2 Dec
119 119 1/4	117 1/2 117 1/2	118 118 1/2	117 1/2 118 1/2	117 1/2 118 1/2	117 1/2 118 1/2	118 119	Great Northern pref.	100	116 1/2 Aug 30	127 1/2 Jan 4	112 1/2 Jan	128 1/2 Nov
43 44	41 41 1/2	41 1/2 42 1/2	40 1/2 42	40 1/2 42	40 1/2 42	40 1/2 42 1/2	Iron Ore properties—No par	100	33 1/2 June 26	50 1/2 Jan 3	25 1/4 Jan	54 Oct
106 1/4 108	106 1/2 107 1/2	107 1/2 109	107 108 1/2	107 108 1/2	107 108 1/2	107 107 1/2	Illinois Central	100	99 1/4 Apr 17	109 1/2 Oct 5	99 July	113 Apr
17 1/2 17 1/2	17 1/2 17 1/2	17 1/2 17 1/2	17 1/2 17 1/2	17 1/2 17 1/2	17 1/2 17 1/2	17 1/2 18	Interbor Con Corp. vtc No par	100	15 1/2 Feb 15	21 1/2 Jan 3	18 1/2 July	25 1/2 Nov
74 1/2 74 1/2	*73 1/4 74	74 1/2 74 1/2	74 74 1/2	74 74 1/2	74 74 1/2	74 1/2 74 1/2	Do pref.	100	71 Feb 15	77 1/2 Jan 3	70 July	82 Nov
26 1/2 27 1/2	25 1/2 27	26 1/2 28 1/2	27 28 1/2	27 28 1/2	27 28 1/2	26 1/2 28 1/2	Kansas City Southern	100	23 1/2 Apr 28	32 1/2 Jan 4	20 1/2 Feb	35 1/2 Nov
61 1/4 61 1/4	61 61	61 1/4 62 1/2	61 61 1/4	61 61 1/4	61 61 1/4	60 1/4 61 1/4	Do pref.	100	58 Aug 18	64 1/2 Jan 3	54 1/2 Feb	65 1/2 Nov
21 21	20 20	20 1/2 20 1/2	20 20	20 20	20 20	*19 21 1/2	Lake Erie & Western	100	10 May 2	22 1/2 July 19	5 Jan	16 1/2 Dec
*43 46	*43 46	*43 46 1/2	*44 46 1/2	*44 46 1/2	*44 46 1/2	*44 45 1/2	Do pref.	100	32 Apr 20	46 Oct 6	19 May	41 1/2 Dec
84 1/2 85 1/2	81 83 1/4	83 85 1/4	82 1/2 85 1/2	82 1/2 85 1/2	82 1/2 85 1/2	83 1/2 86	Lehigh Valley	50	74 1/2 Jan 31	87 1/2 Oct 5	64 1/2 Feb	83 1/2 Nov
*33 35	*32 35	34 37 1/4	36 36 1/2	36 36 1/2	36 36 1/2	34 34	Long Island	50	20 Jan 31	41 1/2 June 12	15 Jan	27 1/2 Oct
137 1/2 138 1/2	136 136	136 1/4 139 1/2	*137 138 1/2	*137 138 1/2	*137 138 1/2	136 1/2 136 1/2	Louisville & Nashville	100	121 1/2 Mar 1	140 Oct 5	104 1/2 July	130 1/2 Nov
*130 132	*128 128 1/2	130 130	*129 131	*129 131	*129 131	*128 132	Manhattan Elevated	100	128 Apr 28	131 1/2 Jan 28	125 June	132 Dec
*127 1/2 128 1/2	124 1/2 125	125 127	124 1/2 126 1/4	124 1/2 126 1/4	124 1/2 126 1/4	124 1/2 124 1/2	Minn St Paul & S S M	100	116 1/4 Apr 24	130 Oct 4	106 Jan	126 1/2 Nov
135 1/4 135 1/4	*132 136	*132 136	132 136	132 136	132 136	*132 136	Do pref.	100	128 1/2 Sept 26	137 Jan 15	123 June	136 Dec
*10 15	*10 15	14 1/2 14 1/2	*10 14	*10 14	*10 14	*12 14 1/2	Missouri Kansas & Texas	100	3 1/2 Sept 6	7 1/4 Jan 13	4 Sep	15 1/4 Apr
5 1/4 5 1/4	5 5	5 1/2 5 1/2	5 1/2 5 1/2	5 1/2 5 1/2	5 1/2 5 1/2	4 1/2 5 1/2	Do pref.	100	10 Apr 3	16 1/2 Jan 4	10 1/2 Sep	40 Apr
23 1/2 24 1/2	23 24	24 1/4 24 1/2	*24 1/4 24 1/2	*24 1/4 24 1/2	*24 1/4 24 1/2	24 24 1/2	Missouri Pacific	100	3 1/4 Sept 1	7 1/2 July 6	14 July	18 1/4 Apr
110 1/2 111 1/2	106 1/2 109	108 1/2 109 1/2	107 1/2 109 1/2	107 1/2 109 1/2	107 1/2 109 1/2	107 1/2 108 1/2	Trust co of depts.	100	22 1/2 Sept 6	24 1/2 Oct 6	3 Dec	7 1/2 Nov
*34 38	*34 36	*33 36	*33 36	*33 36	*33 36	34 34	N Y Central & Hud River	100	100 1/4 Apr 22	114 1/4 Oct 5	81 1/2 Mar	106 1/2 Dec
60 1/4 61	60 60 1/2	60 62 1/2	60 61 1/4	60 61 1/4	60 61 1/4	60 61	N Y Chic & St Louis	100	33 Apr 17	45 Jan 13	30 June	46 1/2 Dec
28 28	27 1/2 28 1/2	28 29 1/2	27 1/2 28 1/2	27 1/2 28 1/2	27 1/2 28 1/2	26 1/2 28 1/2	N Y N H & Hartford	100	57 Apr 26	77 1/2 Jan 10	43 Feb	89 Oct
140 1/2 142 1/4	137 140	139 1/2 141 1/2	140 1/4 143 1/4	140 1/4 143 1/4	140 1/4 143 1/4	143 1/2 146 1/4	N Y Ontario & Western	100	26 May 5	31 Jan 3	21 1/2 Jan	35 Apr
*85 1/2 86 1/4	85 1/2 86 1/4	85 1/2 86 1/4	85 1/2 86 1/4	85 1/2 86 1/4	85 1/2 86 1/4	85 1/2 86 1/4	Norfolk & Western	100	114 Mar 1	146 1/4 Oct 13		



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HIGH AND LOW SALE PRICES—PER SHARE, NOT PER CENT.						Sales for the Week Shares	STOCKS NEW YORK STOCK EXCHANGE	PER SHARE Range Since Jan. 1 On basis of 100-share lots		PER SHARE Range for Previous Year 1915	
Saturday Oct. 7.	Monday Oct. 9.	Tuesday Oct. 10.	Wednesday Oct. 11.	Thursday Oct. 12.	Friday Oct. 13.			Lowest	Highest	Lowest	Highest
\$ per share	\$ per share	\$ per share	\$ per share	\$ per share	\$ per share		Industrial&Misc.(Con.) Par	\$ per share	\$ per share	\$ per share	\$ per share
65½ 66½	63½ 64½	63½ 64½	63 64½	63 64½	61½ 64	14,300	Butte & Superior Copper.....10	60½ July 11	105¼ Mar 9	56½ Aug	79½ June
22½ 22½	22 22½	22½ 23¼	23½ 25¼	23½ 25¼	22 23½	22	California Petroleum, vte.100	15 June 27	42½ Jan 3	8 July	38½ Dec
50 50	48 48	49¾ 50¼	50 53¼	50 53¼	49½ 52¾	6,900	Do pref.....100	40 June 29	80½ Jan 3	30 July	81 Dec
81½ 83½	73 79¾	78 80½	76½ 79¼	76½ 79¼	76½ 80	78,600	Central Leather.....100	49 Apr 22	83¼ Oct 6	32½ Feb	61¼ Nov
	114 114	114 114	114 115	114 115	114½ 114½	320	Do pref.....100	108½ Jan 3	115¼ Oct 5	100½ Jan	110½ Nov
104½ 104½	104 104	105 105½	104½ 104¾	104½ 104¾	104½ 104½	900	Chandler Motor Car.....100	88½ Apr 24	131 June 5		
21 21½	20½ 20½	21 21¼	20½ 21	20½ 21	20¾ 21¼	10,200	Chile Copper.....25	19½ July 14	25½ Jan 5	23½ Dec	26½ Nov
54¼ 55¼	51¾ 53¼	53 54	52¾ 53½	52¾ 53½	52½ 53½	20,300	China Copper.....5	46½ July 11	60 Feb 19	32½ Jan	57½ Nov
56½ 58	48¾ 57	54 55¼	52¼ 55	52¼ 55	51½ 53¾	63,300	Colorado Fuel & Iron.....100	38½ Apr 22	63¼ Sept 30	21¼ Jan	66½ Sep
33¾ 34½	33¾ 37½	37 40¾	40¼ 43½	40¼ 43½	39¾ 44	182,325	Columbia Gas & Elec.....100	30¼ Sept 28	44 Oct 13		
			*47 47½	*47 47½	*47 47½		Computing-Tab-Record.....100	40½ July 24	52½ Jan 22	41½ Nov	49½ Dec
138½ 139¾	137½ 138¼	138¾ 140¼	137½ 140	137½ 140	139 142¾	19,700	Consolidated Gas (N Y).....100	130½ Mar 1	144¾ Jan 8	113¼ Jan	150½ Oct
103 103	99 100¼	101 102¼	102¼ 105	102¼ 105	102½ 106	7,800	Continental Can.....100	75¼ Jan 31	111 Sept 20	40¼ Jan	127 Oct
*110 115		*110 115	*110 113	*110 113	*110 115		Do pref.....100	106 Feb 1	112½ Sept 20	88½ Jan	109½ Dec
16½ 16¾	15½ 16½	16½ 16¾	15½ 16½	15½ 16½	15½ 16	8,700	Corn Products Refining.....100	13¼ Aug 8	25¼ Jan 25	8 Jan	21½ Dec
90½ 90½	90¼ 90¼	91 91	91 91¼	91 91¼	90½ 90½	800	Do pref.....100	85 June 26	101½ Jan 14	65 Jan	96¼ Dec
91½ 92½	83½ 88¾	85½ 87	81½ 86½	81½ 86½	79¾ 84	183,800	Crucible Steel of America.....100	52¾ Jan 12	99½ Mar 16	18¼ May	109½ Sep
122 122	121½ 122	*121 122	121 121	121 121	*118 122	700	Do pref.....100	108½ Jan 11	122 Sept 29	84 May	112½ Sep
64½ 65½	60¾ 63¼	63½ 65¾	63¼ 65½	63¼ 65½	63½ 65	65,700	Cuba Cane Sugar.....No par	52¼ Aug 3	67½ Oct 5		
96 96¾	95½ 96¼	96¼ 96¼	96 96¾	96 96¾	95½ 96½	6,112	Do pref.....100	93 July 14	98 Sept 29		
	195 195	195½ 195½	194 194	194 194	*185 195	300	Cuban-American Sugar.....100	152 Jan 5	269½ Sept 26	38 Jan	177 Dec
					*108 110		Do pref.....100	104¼ Feb 1	110 June 8	93 Jan	110 Sep
44½ 44½	42 43	42½ 43¾	42¾ 43¼	42¾ 43¼	42½ 43	11,600	Distillers' Securities Corp.....100	41 July 10	54¼ Apr 29	5½ Mar	50¼ Oct
24½ 25	*24½ 26	*24½ 25	*24½ 24½	*24½ 24½	*24½ 25	600	Dome Mines, Ltd.....10	22¾ Aug 29	29½ Feb 8	116 June	30½ Dec
90 90	*90 90	*90 95	*85 90	*85 90	*85 95	100	Driggs-Seabury Ord.....100	85 Sept 8	119¾ Sept 18		
*16 23½	*16 23½	*16 22	*16 23	*16 23	*16 23½		Federal Mining & Smelt.....100	12½ July 13	35 Jan 7	8 Mar	60 June
41½ 41½	39½ 39½	*35 43¾	*39 42	*39 42	*38 42	200	Do pref.....100	35½ Apr 24	57½ Jan 7	20 Mar	65 June
*328 328		*320 330	328¾ 328¾	328¾ 328¾		226	General Chemical.....100	126½ Jan 5	350 Mar 18	165 Jan	360 Oct
		115 115	*114 146	*114 146	175½ 177	12,300	General Electric.....100	113 Jan 5	116 Jan 27	106 Mar	116½ Nov
*179½ 180	175½ 179	178 178¾	174½ 178	174½ 178	*700 752		General Motors.....100	159 Apr 22	186¼ Sept 28	138 Mar	185½ Oct
*711 758	*650 750	*700 755	*690 755	*690 755	*123 123	2,620	Do pref.....100	405 Apr 24	750 Oct 3	82 Jan	558 Dec
127½ 127½	126½ 127	127 127¼	127 127¼	127 127¼	*113 114	15,100	Goodrich Co (B F).....100	108 July 14	128½ Sept 6	90½ Jan	136 Dec
74¼ 75½	71½ 72½	72½ 74	71½ 73¾	71½ 73¾	72 73	300	Do pref.....100	67¾ Jan 31	80 Apr 10	24½ Jan	80¼ Oct
*114 114¾		114¼ 114¼	*113½ 114¼	*113½ 114¼	*113½ 114	2,300	Granby Cons M S & P.....100	110¾ Feb 1	116¾ Mar 16	95 Jan	114¼ Oct
91¾ 91¾	88 90½	89½ 90	89¾ 90	89¾ 90	89 90½	5,550	Greene Cananea Copper.....100	80 July 12	99 Feb 10	79¼ Apr	91 June
51 51	50 50¼	50 51	50 50¾	50 50¾	50 50½	500	Gulf States Steel tr cts.....100	34 June 26	53¾ Mar 9	37 Oct	52¾ Dec
	90¼ 92	92 92			99 99	400	Do 1st pref tr cts.....100	71 May 4	96½ Sept 15		
97½ 98	92½ 92½	93 96	95 95	95 95	96½ 96½	168,650	Inspiration Cons Copper.....20	72 May 5	98½ Sept 1		
66 66¾	60½ 64½	64¾ 65½	65 66½	65 66½	*15 17	600	Internat Agricul Corp.....100	42½ Apr 22	69½ Sept 28	16½ Jan	47½ Oct
17½ 17½	15¾ 15¾	*15 16	16 16½	16 16½	*45 46½	800	Do pref.....100	11 Aug 30	29½ Jan 5	5½ Mar	29¾ Nov
*46 48	44½ 46¼	*46 47	45¼ 45½	45¼ 45½	116 116	500	Do pref.....100	38½ July 14	74 Jan 5	8 Mar	71¾ Dec
*115 116		116 116½	116¼ 116½	116¼ 116½	36 38¼	165,850	Intern Harvester of N J.....100	108½ Jan 7	119¼ June 7	90 May	114 June
43¼ 44¾	34½ 40¼	37 39	35½ 38¾	35½ 38¾	105½ 109¼	225,800	Int Merc Marine cts of dep.....100	13½ Feb 15	50½ Sept 14	18 Dec	20½ Dec
117½ 119½	106½ 112½	108½ 110¾	104 108½	104 108½	50¼ 51½	81,575	Do pref cts of dep.....100	61¼ Mar 1	125½ Sept 11	55½ Nov	77½ Dec
52½ 53¼	47½ 50½	50½ 52	50 51½	50 51½	36½ 38½	58,500	Intern Nickel (The) v t c.....25	39½ Aug 22	56½ Jan 17	179¼ Dec	223½ Oct
35½ 36½	32 36	36 37¾	35½ 37½	35½ 37½	95¼ 97¼	14,600	International Paper.....100	9½ Mar 1	35½ Oct 13	8 Jan	12½ Dec
96½ 98	93¼ 95¼	95¼ 97½	96½ 98	96½ 98	88¾ 88¾	1,100	Do pref.....100	42½ Feb 1	100 Sept 12	33 Feb	50¼ Dec
*86 89	85 86	*85 88	87 87	87 87	76 78½	3,650	Jewel Tea, Inc.....100	67 Mar 9	96 Apr 2		
*80 80½	75 79¾	79 79½	78¾ 79½	78¾ 79½	51¼ 52½	70,800	Kelly-Springfield Tire.....25	66 July 18	85¼ Sept 6		
53¼ 54½	50¾ 52¾	52½ 53¼	51½ 52½	51½ 52½	83½ 87	17,200	Kennecott Copper.....No par	44½ Aug 2	59 Apr 3		
85½ 86½	82 84½	83½ 85	82½ 84¼	82½ 84¼	42 43	4,300	Lackawanna Steel.....100	64 May 5	90 Sept 29	28 Jan	94¼ Sep
*45 46	42¾ 44	43 44	42½ 43¾	42½ 43¾	*255 285		Lee Rubber & Tire.....No par	41 July 13	56½ June 5		
*270 285	*280 300	*255 280	*255 290	*255 290	*200 225		Liggett & Myers Tobacco.....100	240 Apr 14	294 Sept 2	207 Jan	260 Dec
*205 230		*200 230	222½ 222½	222½ 222½	*84½ 85½	200	Lorillard Co (P).....100	179¼ Jan 19	239½ Aug 19	165½ Jan	189 Nov
*84¾ 86	*83 85½	*83 86	*83 86	*83 86	86½ 89½	31,000	Mackay Companies.....100	78 Apr 14	91 Feb 10	72½ Jan	84 Nov
66¾ 66¾	66¾ 66¾	*65 67	*65 67	*65 67	*86½ 87½	500	Do pref.....100	65½ Jan 20	65¼ June 7	64¼ Oct	69¼ Jan
92½ 93	89 90¾	90½ 92½	88¼ 90¾	88¼ 90¾	56 56	1,100	Maxwell Motor Inc tr cts.....100	57¼ Mar 3	99 Sept 25	15¼ Jan	92 Oct
87 87¼	*86 86¾	*86¼ 87	86¼ 87	86¼ 87	105½ 108¾	65,200	Do 1st pref stk tr cts.....100	78 Apr 22	93 Jan 3	43¼ Jan	103¼ Dec
*57 57¼	56½ 56¾	57 57	56½ 56¾	56½ 56¾	*90 96	14,600	Do 2d pref stk tr cts.....100	42¼ Mar 2	60½ June 6	18 Jan	68½ Oct
110¼ 111¼	105 108	107 108¾	106 109½	106 109½	37¼ 37¾	500	Mexican Petroleum.....100	88½ June 28	129½ Jan 3	51 Jan	124½ Dec
*90 95		*90 96	37¾ 37¾	37¾ 37¾	*92 96	700	Do pref.....100	89½ June 28	105½ Jan 3	67 Jan	104½ Dec
38 38¾	36¼ 37¾	37 37¾	37¾ 37¾	37¾ 37¾	*116 117		Miami Copper.....5	33 Aug 3	41½ Sept 25	17¼ Jan	36½ Dec
*94 96	94 96	93 93	92½ 93½	92½ 93½	127½ 130½	7,650	Montana Power.....100	68¼ Mar 1	96½ Oct 6	42 Jan	79¼ Dec
*115½ 117	*111 112	*110½ 111	*116 117	*116 117	*126½ 130	200	Do pref.....100	109 Jan 3	117 Sept 28	99 Jan	120 Dec
121 121	122 122	122½ 123	123¾ 129½	123¾ 129½	*109 110	200	National Biscuit.....100	118 Sept 9	130½ Oct 13	116 Apr	132 Jan
*126½ 129½		*127½ 127½	*126½ 130	*126½ 130	27 27¾	6,300	Do pref.....100	124 June 30	129½ May 12	119 May	127½ Dec
	82½ 83	*80 82½	*81¼ 83½	*81¼ 83½	*94 96½	100	Nat Cloak & Suit.....100	71 May 9	84½ Sept 12	68 Mar	90 Aug
28½ 28¾	25½ 27¼	27½ 27¾	27¼ 28½	27¼ 28½	67½ 68½	100	Do pref.....100	106 May 20	113 Feb 1	100¼ Mar	111 Nov
70 71	68 69	69 69¼	66¾ 68¾	66¾ 68¾	67 68	2,400	Nat Enam'g & Stamp'g.....100	19¼ Apr 22	31½ Sept 29	9½ Jan	36½ Oct
*116 116¼	116 116	*115 116¼	*114 116¼	*114 116¼	*94 96½	100	Do pref.....100	92 Jan 19	97½ Feb 18	79 Apr	97 Dec
156½ 161	153½ 157	157 160	155 159	155 159	*114 116	100	National Lead.....100	60½ Apr 22	74½ Sept 21	44 Jan	70¼ May
*68½ 69½	*66 69½	*66 69½	*66 69½	*66 69½	155 158	13,800	Do pref.....100	112 Feb 9	117½ Oct 3	104¾ Jan	115 Nov
76¾ 77½	75 76½	76½ 77½	77 81	77 81	21½ 21¾	19,200	Nevada Consol Copper.....5	15 Jan 31	23½ Sept 25	11¼ Feb	17 Nov
*61½ 7	6¼ 6½	*68½ 69½	67 68	67 68	155 158	23,500	New York Air Brake.....100	118 July 14	162¾ Oct 4	56½ Feb	164¼ Sep
25½ 26	23½ 25	25 25½	24½ 25	24½ 25	80 83	900	North American Co.....100	65½ Apr 26	75 Jan 3	64 Jan	81 Apr
109½ 111	110 111½	113¼ 118	112½ 116	112½ 116	24½ 25	2,400	Ohio Cities Gas (The).....25	75 Oct 9	83 Oct 13	2 Feb	12½ Dec
41¾ 41¾	40 40½	41 41½	40½ 41¼	40½ 41¼	112 113½	11,300	Ontario Silver Mining.....100	11¼ Jan 3	31 Aug 21	28½ Dec	38 Aug
35 36½	33¾ 35½	35¾ 37¼	35¾ 37¼	35¾ 37¼	40¼ 41½	1,900	Pacific Mail & C (Chic).....100	100½ May 5	118 Oct 10	106½ Dec	123½ Apr
108½ 108½	60 64½	64 65½	62½ 65½	62½ 65½	35¾ 37¼	26,400	People's G L & C (Chic).....100	38 June 15	46 Jan 17	35½ Apr	49 Sep
65 66¾	103 105	103 105	103 105	103 105	*102 109	100	Philadelphia Co (Pittsb).....50	25¼ July 28	37½ Oct 5		
*131 131½		131 131	130 132	130 132	64½ 67¼	23,200	Pittsburgh Coal cts dep.....100	100¼ Aug 25	105¼ Oct 5	25 Mar	78¼ Oct
173 173	172 172	172 172	167½ 171½	167½ 171½	104 104	200	Do pref cts deposit.....100	42½ July 14	70 Oct 3	88 Mar	106 Oct
54¾ 56	51½ 53¼	53 53½	51 52½	51 52½	130 130	300	Pressed Steel Car.....100	97 July 18	105 Oct 6	88 Mar	106 Oct
*101½ 102¼	101½ 101½	*100 102	101 101	101 101	170 170¼	2,450	Do pref.....100	114 an 31	137 Sept 27	100½ Aug	120 Dec
25 25½	24 24½	24½ 24½	24½ 25½	24½ 25½	50 52	14,400	Public Serv Corp of N J.....100	159½ May 10	177 Sept 30	150½ Mar	170¼ Oct
76 79	60 77	73¼ 75	70 74½	70 74½	*101½ 102	200	Pullman Company.....100	32 Apr 22	57½ Oct 6	19 Mar	54 Oct
112¼ 112½	100 101½	112½ 112½	111½ 111½	111½ 111½	205 215	23,500	Railway Steel Spring.....100	95¼ Mar 9	102¼ Oct 6	87 Mar	102 Nov
*78¼ 79¼	*77¾ 78¾	*78 79¼	*77¾ 78¾	*77¾ 78¾	69 73½	200,100	Do pref.....100	20 June 23	27 Sept 25	15¼ Jan	27½ Nov
*214 216	212 212	211¼ 21									



## 1394

*In Jan. 1909 the Exchange method of quoting bonds was changed, and prices are now all—"and interest"—except for income and defaulted bonds.*

\* No price Friday; atest this week   d Due April   e Due May   f Due June   h Due July   k Due Aug.   o Due Oct.   p Due Nov.   q Due Dec.   s Option sale.



\* No price Friday interest paid and added this week.    † Due Jan.    ‡ Due Feb.    § Due April.    ¶ Due May.    ¢ Due June.    & Due July.    \* Due Aug.    0 Due Oct.    Due Nov.    # Option sale.



BONDS N. Y. STOCK EXCHANGE Week Ending Oct. 13.										BONDS N. Y. STOCK EXCHANGE Week Ending Oct. 13.									
Interest Period	Price Friday Oct. 13.	Week's Range or Last Sale	Bonds Sold	Range Since Jan. 1		Interest Period	Price Friday Oct. 13.	Week's Range or Last Sale	Bonds Sold	Range Since Jan. 1									
				Low	High					Low	High								
N Y Cent & H R RR (Con.)—																			
Rutland 1st con g 4 1/2s	1941	J-J	88 95	81 1/2	Dec '15	---	---	---	---	---	---								
Og & L Cham 1st gu 4s	1948	J-J	68 1/2	---	Oct '16	---	---	---	---	---	---								
Rut-Canada 1st gu g 4s	1949	J-J	67	---	92 June '09	---	---	---	---	---	---								
St Lawr & Adir 1st g 5s	1996	J-J	96	---	100 Oct '15	---	---	---	---	---	---								
2d gold 6s	1996	A-O	---	111	119 1/2 Mar '12	---	---	---	---	---	---								
Utica & Blk Riv gu g 4s	1922	J-J	97 1/2	---	97 1/2 July '16	---	---	---	---	---	---								
Lake Shore gold 3 1/2s	1997	J-D	84 1/2 85	84	Oct '16	---	---	---	---	---	---								
Registered	1997	J-D	83 3/4	---	83 3/4 July '16	---	---	---	---	---	---								
Debtenture gold 4s	1928	M-S	95 3/4 Sale	95 3/4	---	6	94 3/4	96	---	---	---								
25-year gold 4s	1931	M-N	95 1/2 Sale	95 1/4	95 1/2	90	93 3/4	95 1/2	---	---	---								
Registered	1931	M-N	---	---	94 3/4 Oct '16	---	---	---	---	---	---								
Ka A & G R 1st gu 5s	1938	J-J	---	---	104 1/2 Dec '15	---	---	---	---	---	---								
Mahon C' R 1st 5s	1934	J-J	106	---	104 1/2 Dec '15	---	---	---	---	---	---								
Pitts & L Erie 2d g 5s	1928	A-O	103	---	103 July '16	---	---	---	---	---	---								
Pitts McK & Y 1st gu 6s	1932	J-J	115 1/2	---	130 1/2 Jan '09	---	---	---	---	---	---								
2d guaranteed 6s	1934	J-J	113 1/2	---	123 1/4 Mar '12	---	---	---	---	---	---								
McKees & B V 1st g 6s	1918	J-J	---	---	106 1/4 Aug '16	---	---	---	---	---	---								
Michigan Central 5s	1931	M-S	106 1/2	---	105 July '16	---	---	---	---	---	---								
Registered	1931	Q-M	---	---	98 Apr '12	---	---	---	---	---	---								
4s	1940	J-J	90 1/2	---	87 Feb '14	---	---	---	---	---	---								
Registered	1940	J-J	---	---	90 June '08	---	---	---	---	---	---								
J L & S 1st gold 3 1/2s	1951	M-S	82 1/2	86	82 1/2 Sept '16	---	---	---	---	---	---								
1st gold 3 1/2s	1952	M-N	88	89 3/4	88 Oct '16	---	---	---	---	---	---								
20-year debtenture 4s	1929	A-O	92 3/4	93 1/2	93	10	91	95 1/2	---	---	---								
N Y Chic & St L 1st g 4s	1937	A-O	90	---	90 3/4 Aug '16	---	---	---	---	---	---								
Registered	1937	A-O	---	---	77 1/2	---	1	77 1/2	84 3/4	---	---								
Debtenture 4s	1931	M-N	77	78	77 1/2	---	25	87 1/2	93	---	---								
West Shore 1st 4s guar	2361	J-J	91 3/4 Sale	91 1/2	91 1/2	11	86 3/4	90	---	---	---								
Registered	2361	J-J	89	89 1/2	100 1/2 Sept '16	---	---	---	---	---	---								
N Y C Lines eq tr 5s	1916-22	M-N	100	---	99 3/4 July '16	---	---	---	---	---	---								
Equip trust 4 1/2s	1917-22	J-J	99 1/2	---	98 3/4	---	2	97 1/2	100 1/2	---	---								
N Y Connect 1st gu 4 1/2s	1953	F-A	98 3/4 Sale	98 3/4	98 3/4	---	---	---	---	---	---								
N Y N H & Hartford—																			
Non-conv debent 4s	1947	M-S	80	82	79 3/4 Sept '16	---	---	---	---	---	---								
Non-conv debent 3 1/2s	1947	M-S	71	---	71 Sept '16	---	---	---	---	---	---								
Non-conv debent 3 1/2s	1954	A-O	---	---	69 1/2 Oct '16	---	---	---	---	---	---								
Non-conv debent 4s	1955	J-J	77 1/2	80	77 1/2 Sept '16	---	---	---	---	---	---								
Non-conv debent 4s	1956	M-N	77 3/4	79 1/2	77 1/2 Oct '16	---	---	---	---	---	---								
Conv debtenture 3 1/2s	1956	J-J	69	69 3/4	69 Oct '16	---	---	---	---	---	---								
Conv debtenture 6s	1948	J-J	112	---	112	12	110	116	---	---	---								
Cons Ry non-conv 4s	1930	F-A	---	---	79 1/2	---	---	---	---	---	---								
Non-conv debent 4s	1954	J-J	---	---	82 1/2	---	---	---	---	---	---								
Non-conv debent 4s	1955	J-J	---	---	79 1/2 Apr '16	---	---	---	---	---	---								
Non-conv debent 4s	1955	A-O	---	---	80	---	---	---	---	---	---								
Non-conv debent 4s	1956	J-J	---	---	80	---	---	---	---	---	---								
Harlem R-Pt Ches 1st 4s	1954	M-N	90 1/2	---	91 1/2 Sept '16	---	---	---	---	---	---								
B & N Y Air Line 1st 4s	1955	F-A	89 1/2	---	89 1/2 June '12	---	---	---	---	---	---								
Cent New Eng 1st gu 4s	1961	J-J	79 1/2	80	79 3/4 Oct '16	---	---	---	---	---	---								
Hartford St Ry 1st 4s	1930	M-S	---	---	105 1/2 May '15	---	---	---	---	---	---								
Housatonic R cons g 5s	1937	M-N	107	---	87 J'y '14	---	---	---	---	---	---								
Naugatuck RR 1st 4s	1954	M-N	91 1/4	---	88 Aug '13	---	---	---	---	---	---								
N Y Prov & Boston 4s	1942	A-O	90 1/4	---	75 1/2	---	3	72	82	---	---								
NYW Ches & B 1st ser f 4 1/2s	1946	J-J	75	76	75 1/2	---	---	---	---	---	---								
N H & Derby cons cy 5s	1918	M-N	100 1/4	---	107 Aug '09	---	---	---	---	---	---								
Boston Terminal 1st 4s	1939	A-O	---	---	---	---	---	---	---	---	---								
New England cons 5s	1945	J-J	108	---	99 1/2 Mar '12	---	---	---	---	---	---								
Consol 4s	1945	J-J	92	---	69 1/2 Sept '16	---	---	---	---	---	---								
Providence Secur deb 4s	1957	M-N	69	70	99 3/4 Dec '14	---	---	---	---	---	---								
Prov & Springfield 1st 5s	1922	J-J	---	---	83 3/4 Feb '14	---	---	---	---	---	---								
Providence Term 1st 4s	1956	M-S	---	---	80 1/2	---	1	77 3/4	84	---	---								
W & Con East 1st 4 1/2s	1943	M-S	80 3/4	81	80 1/2	---	---	---	---	---	---								
N Y O & W ref 1st g 4s	1992	M-S	---	---	92 1/2 June '12	---	---	---	---	---	---								
Registered \$5,000 only	1992	M-S	---	---	79	---	---	---	---	---	---								
General 4s	1955	J-D	80	82	78 Aug '16	---	---	---	---	---	---								
Norfolk Sou 1st & ref A 5s	1961	F-A	99	100	98 1/4 Sept '16	---	---	---	---	---	---								
Norfolk Sou 1st gold 5s	1941	M-N	119 1/4	120	119 1/4 Sept '16	---	---	---	---	---	---								
Norfolk & West gen gold 6s	1931	M-N	120 3/4	122	121 1/4 July '16	---	---	---	---	---	---								
Improvement & ext g 6s	1934	F-A	118 1/2	120	120 Sept '16	---	---	---	---	---	---								
New River 1st gold 6s	1932	A-O	94 3/4	95	94 3/4	16	91 1/2	95 3/4	---	---	---								
N & W Ry 1st cons g 4s	1996	A-O	---	---	93 1/2 Dec '15	---	---	---	---	---	---								
Registered	1996	A-O	---	---	90 1/2 Oct '16	---	---	---	---	---	---								
Div'l 1st lien & gen g 4s	1944	J-J	89 1/2	91	113 1/2	---	---	---	---	---	---								
10-25-year conv 4s	1932	J-D	146 1/2	---	137 1/2	---	18	115 1/2	144	---	---								
10-20-year conv 4s	1932	M-S	---	---	89 1/2	---	3	88	90 1/4	---	---								
10-25-year conv 4 1/2s	1938	M-S	144	---	144	---	---	103	103 1/2	---	---								
Pocah C & C joint 4s	1941	J-D	89 1/2	89 3/4	89 3/4	---	---	91 1/4	94	---	---								
C C & T 1st guar gold 5s	1922	J-J	102 1/2	---	103 Sept '16	---	---	125	91 1/2	---	---								
Solo V & N E 1st gu 4s	1989	M-N	93	94	93	---	4	91 1/4	94	---	---								
Nor Pacific prior lien g 4s	1997	Q-J	92 3/4	---	92 3/4	---	125	91 1/2	94 1/2	---	---								
Registered	1997	Q-J	---	---	92 1/2 Oct '16	---	---	90 1/2	93 1/2	---	---								
General lien gold 3s	1924	Q-F	66 3/4	---	66 3/4	---	34	65 1/2	67	---	---								
Registered	1924	Q-F	65 1/4	---	65 1/4 June '16	---	---	63 1/2	65 1/4	---	---								
St Paul-Duluth Div g 4s	1996	J-D	9	---	91 1/2 Sept '16	---	---	90 1/2	91 1/2	---	---								
St P & N P gen gold 6s	1923	F-A	109 3/4	113	111	3	109 3/4	113	---	---	---								
Registered certificates	1923	Q-A	---	---	109 1/2 Oct '16	---	---	---	---	---	---								
St Paul & Duluth 1st 5s	1931	F-F	107	---	107 Mar '16	---	---	107	107	---	---								
2d 5s	1917	A-O	100 1/2	---	100 3/4 Sept '16	---	---	100 3/4	101 1/2	---	---								
1st consol gold 4s	1968	J-D	88	---	91 1/2 Sept '16	---	---	90	91 1/2	---	---								
Wash Cent 1st gold 4s	1948	Q-M	85	87 1/2	90 1/2 Feb '16	---	---	90	90 1/2	---	---								
Nor Pac Term Co 1st g 6s	1933	J-J	111	112 1/2	111 1/2 Sept '16	---	---	111	111 1/2	---	---								
Oregon-Wash 1st & ref 4s	1961	J-J	86	86 1/4	85 1/2	5	83 1/2	88	---	---	---								
Pacific Coast Co 1st g 5s	1946	J-D	96	97	96 Sept '16	---	---	93	100	---	---								
Paducah & Ills 1st f 4 1/2s	1955	J-J	98 3/4	99 3/4	98 3/4 Oct '16	---	---	98	98 3/4	---	---								
Pennsylvania RR 1st g 4s	1923	M-N	99	---	99 1/4	1	98 1/4	99 1/2	---	---	---								
Consol gold 5s	1919	M-S	102 1/4	102 3/4	103	3	102 1/2	103 1/4	---	---	---								
Consol gold 4s	1943	M-N	99 1/2	---	98 3/4 Oct '16	---	---	98 1/4	99 1/2	---	---								
Consol gold 4s	1948	M-N	99 1/2	---	100	6	98	100 1/4	---	---	---								
Consol 4 1/2s	1960	F-A	105 1/2	---	105 1/2	---	---	104 1/2	106 3/4	---	---								
General 4 1/2s when issued	1965	J-D	102 1/2	---	102 1/4														



\* No price Friday; latest bid and asked.    † Due Jan    ‡ Due Apr.    § Due May    ¶ Due June.    † Due July.    ‡ Due Aug.    § Due Oct.    ¶ Due Nov.    † Due Dec.    ‡ Option sale



SHARE PRICES—NOT PER CENTUM PRICES.						Sales of the Week Shares.	STOCKS BOSTON STOCK EXCHANGE	Range Since Jan. 1		Range for Previous Year 1915	
Saturday Oct. 7	Monday Oct. 9	Tuesday Oct. 10	Wednesday Oct. 11	Thursday Oct. 12	Friday Oct. 13			Lowest	Highest	Lowest	Highest
*106 1/4 107	104 3/4 104 3/4	*105 1/2 106	*105 105 3/4				85 Atch Topeka & Santa Fe.....	102 Mar 2	108 Jan 3	92 1/4 Feb	109 3/4 Nov
*100 1/4 101	*100 1/4 101	*100 100 3/4	*100 1/4 101				Do pref.....	98 1/4 Aug 17	101 1/4 Mar 9	97 Jan	101 1/2 Nov
*180 182	*180 1/2 183	182 182 1/2	181 181				93 Boston & Albany.....	174 1/2 Sept 25	198 Feb 16	170 Mar	198 Jan
82 82	81 7/8 82	81 1/2 82	81 1/2 81 1/2				321 Boston Elevated.....	65 1/2 Apr 24	88 1/2 Jan 19	73 June	96 Jan
*122 124	*122 125	*122 125	*122 125				Boston & Lowell.....	122 Sept 14	145 Feb 11	109 Feb	138 1/2 Oct
*44 45	43 1/2 45	45 47	45 46				1,165 Boston & Maine.....	34 Aug 29	52 Feb 14	20 Feb	37 1/2 Oct
*210	*210	210 210	*210				31 Boston & Providence.....	200 Aug 4	235 1/2 May 29	225 Jan	240 June
							Boston Suburban Elec Cos.....	4 1/2 Feb 29	5 Jan 8	5 Dec	10 Mar
*41 1/2 45	*41 1/2 45	*41 1/2 45	*41 1/2 45				Do pref.....	39 May 19	40 1/2 Feb 29	40 Sep	56 Mar
*44 1/2 47	*44 1/2 47	*44 1/2 47	*44 1/2 47				Boston & Worcester Electric Cos.....	4 Mar 18	5 1/2 Jan 5	5 Nov	9 Sep
							Do pref.....	42 Feb 28	45 1/2 July 18	39 Jan	47 July
*105 107	105 105	105 105	*105				Chic June Ry & U S Y.....	154 July 26	154 July 26	157 Feb	160 Sep
*146 150	*146 150	*146 150	150 150				50 Do pref.....	102 1/2 Apr 26	110 July 14	101 1/2 July	110 Apr
*75	76 77	76 77	76 77				1 Connecticut River.....	123 Sept 1	162 Feb 19	140 Feb	165 Jan
*129 130	*129 1/2 130 1/8	*129 130 1/2	*129 130 1/2				54 Fitchburg pref.....	69 1/4 Sept 27	87 Feb 14	51 Feb	76 Nov
*90	*90	*88 1/2	*88				Georgia Ry & Elec stampd.....	122 Jan 3	129 1/2 Sept 21	114 Apr	120 Feb
99 3/4 99 3/4	99 3/4 99 3/4	*99 100	*99 100				Do pref.....	86 Jan 10	90 May 25	84 Aug	88 Mar
*5	*5	*5 6	*5 6				35 Maine Central.....	98 Sept 19	102 Jan 17	92 Mar	103 1/2 Nov
34 1/2 34 1/2	*34 35 1/2	34 35	35 35				Mass Electric Cos.....	5 July 14	8 1/4 Aug 30	4 7/8 June	10 Sep
60 61 1/2	59 3/4 60 1/2	60 1/2 62 1/4	60 61				Do pref stamped.....	31 May 2	44 Aug 9	33 July	56 Jan
*105 107	*105 107	*105 107	*105 107				610 N Y N H & Hartford.....	57 May 5	77 1/2 Jan 3	43 Feb	87 1/2 Oct
*141	*141	142 142	*141 142				Northern New Hampshire.....	97 Jan 3	107 Sept 14	89 Oct	98 Apr
*28 30	*28 30	*28 30	30 30				10 Old Colony.....	135 Sept 21	157 Feb 26	140 Aug	157 Apr
*149 1/4 149 3/4	145 1/4 146	150 150	*147 147 3/4				100 Rutland pref.....	20 May 1	30 Jan 3	15 Mar	30 Nov
							80 Union Pacific.....	130 Apr 26	151 1/2 Sept 27	116 1/2 Jan	141 1/2 Nov
*110 112	*110 112	*110 112	*110 112				Do pref.....	81 1/2 Mar 1	84 1/2 Oct 3	79 3/4 Mar	81 1/2 Oct
*59 59	*55 1/2 58	58 58	58 58				Vermont & Massachusetts.....	100 1/2 Aug 29	125 Mar 1	105 Feb	125 Apr
*76	76 76	76 76	76 76				94 West End Street.....	75 1/2 Sept 21	67 1/2 Jan 19	61 May	72 1/2 Jan
							85 Do pref.....	69 July 13	86 Feb 25	80 July	93 1/2 Feb
80 80 1/4	80 1/2 80 1/2	80 1/4 80 1/4	80 80 1/4				Miscellaneous				
*101 1/4 102	101 1/4 101 1/4	101 101 1/4	101 101				335 Amer Agricul Chemical.....	64 Apr 24	82 1/2 Sept 22	48 Jan	73 1/4 Nov
*11 12	*11 12	*11 12	*11 12				65 Do pref.....	95 1/2 Mar 23	102 1/4 Oct 2	87 1/2 Mar	101 1/2 Nov
113 115 1/8	113 114 1/2	115 116 3/8	115 117				10 Amer Pneumatic Service.....	112 July 8	3 1/4 Apr 12	13 Mar	4 1/2 Oct
118 118 3/8	118 118 3/8	118 118 3/8	119 119				50 Do pref.....	11 Oct 5	16 May 4	13 Dec	19 1/2 Jan
132 1/2 133	132 1/2 132 1/2	132 1/2 132 1/2	132 1/2 133				1,619 Amer Sugar Refining.....	106 Apr 22	117 Oct 11	100 Feb	119 1/2 Nov
*50 1/2 51 1/4	47 1/4 49 1/2	50 1/2 50 1/2	49 50				411 Do pref.....	114 1/2 Mar 1	120 Sept 21	109 Feb	119 Dec
97 98 1/4	97 98	97 1/4 97 3/4	97 98				1,401 Amer Teleg & Teleg.....	126 1/8 Jan 31	134 1/2 Sept 30	116 Jan	130 1/2 Nov
*73 73 1/2	73 73	*72 1/2 74	73 73				145 American Woolen of Mass.....	42 Aug 5	55 Mar 14	16 1/2 Apr	57 1/2 Oct
98 98	98 98	*98 98 1/2	98 98				591 Do pref.....	92 Jan 11	101 1/8 Mar 14	77 Feb	99 1/2 Oct
85 1/2 86	82 84 1/2	85 87 1/4	85 86 1/2				90 Amoskeag Manufacturing.....	66 Jan 3	76 Aug 10	59 1/8 Jan	67 Apr
*65 3/4 66 1/2	64 1/2 65 1/4	64 1/2 64 1/2	63 3/8 64 1/2				108 Do pref.....	98 July 24	101 1/4 Feb 10	97 1/2 May	101 Feb
21 1/2 22	22 22	21 3/4 21 3/4	21 22				14,876 Atl Gulf & W I S S Lines.....	27 Jan 14	94 3/4 Sept 14	4 Feb	36 Nov
*81 2 9	*83 10	*83 10	*83 10				1,725 Do pref.....	42 Jan 15	69 1/4 Sept 14	9 3/8 Mar	49 Nov
237 238	*237 239	238 239	237 238				500 Cuban Port Cement.....	28 1/8 Apr 28	25 1/2 July 20		
*180 181	*176 3/4 177 1/4	*177 1/2 178 1/2	177 1/2 177 1/2				East Boston Land.....	8 1/2 Aug 16	13 3/8 Jan 19	8 1/2 Dec	13 1/4 Apr
*100 102	*100 102	*100 102	100 100				419 Edison Electric Illum.....	234 Apr 27	250 Mar 7	230 May	260 Jan
83 83	83 1/2 83 1/2	83 83 1/2	83 1/2 83 1/2				10 General Electric.....	159 1/4 Apr 22	185 1/8 Sept 28	138 1/2 Aug	184 1/2 Oct
82 1/2 82 1/2	*82 1/2 83	*82 83	82 1/2 82 1/2				28 McElwain (W H) 1st pref.....	95 June 8	102 1/2 Sept 8	96 1/2 Aug	104 Mar
*163 164	*160 164	*162 3/4 164	162 1/2 163				234 Massachusetts Gas Cos.....	79 Sept 21	86 1/2 Jan 5	78 Apr	94 Aug
*1	1	*1	*1				80 Do pref.....	78 Sept 14	89 Feb 14	84 Nov	92 1/2 Jan
							20 Mergenthaler Linotype.....	155 May 4	172 Jan 19	154 Feb	200 Jan
*17	*17	*17	*17				50 Mexican Telephone.....	90 Aug 3	2 1/4 Jan 15	1 1/4 Apr	3 Sep
*39	*39	*39	*39				Mississippi River Power.....	15 Jan 18	19 Apr 10	10 June	16 1/2 Dec
*27	*27	*27	*27				Do pref.....	39 Apr 21	44 Feb 8	35 Feb	46 1/2 Jan
*55	*55	*55	*55				12 New Eng Cotton Yarn.....	23 1/2 July 18	30 Jan 7	20 Apr	30 Nov
128 1/2 129	128 1/2 129	128 1/2 128 3/4	128 3/4 129				Do pref.....	50 Jan 24	58 Jan 7	25 July	55 Dec
*146 149	145 146	145 145	145 145				396 New England Telephone.....	126 Aug 16	140 Mar 17	127 1/4 June	143 Jan
							240 Nipe Bay Company.....	102 1/8 Jan 11	160 May 5		
*15 1/2 15 3/8	*15 1/2 15 3/8	*15 1/2 15 3/8	*15 1/2 15 3/8				10 Pullman Company.....	158 1/2 Apr 28	175 Oct 5	150 Feb	170 Oct
169 176	173 177	173 1/4 175 1/4	171 174 3/4				10 Reece Button-Hole.....	15 Feb 3	16 1/2 May 23	15 Sep	16 1/2 Jan
60 1/2 60 1/2	60 60	61 61 1/2	61 61 1/2				5,078 Swift & Co.....	125 Feb 5	177 Oct 9	104 1/4 Jan	128 Nov
*31 1/8	*31 1/8	*31 1/8	*31 1/8				260 Torrington.....	35 Jan 14	63 Sept 19	28 Mar	36 1/2 Dec
*1 1/2	*1 1/2	*1 1/2	*1 1/2				25 Do pref.....	28 Jan 14	32 Mar 2	26 Mar	30 1/4 Sep
161 1/4 162 1/4	158 1/2 160 1/4	159 3/4 161	159 160 3/4				Union Copper L & M.....	90 Mar 23	2 Feb 23	95 Jan	13 Apr
57 1/2 57 1/2	56 57 1/4	56 1/2 57 1/2	56 1/2 57 3/8				1,377 United Fruit.....	136 1/2 Jan 31	168 3/4 Aug 21	110 Feb	163 Nov
30 30	30 30	30 30	30 30				4,398 United Shoe Mach Corp.....	50 June 23	63 1/2 May 12	48 Aug	65 May
115 1/4 116 3/8	110 113	112 113	109 1/2 112				Do pref.....	23 1/2 Jan 3	31 Sept 18	28 Mar	30 Aug
*120 120 1/2	*119 119 1/2	120 120 3/8	*120 120 1/2				6,672 U S Steel Corporation.....	79 3/4 Mar 1	120 1/2 Sept 29	38 Feb	89 1/2 Dec
7 3/4 8	7 3/8 7 3/4	7 3/4 8	8 8				Do pref.....	115 1/4 Feb 5	121 1/2 Oct 2	102 1/4 Jan	117 1/2 Oct
							2,040 Ventura Consol Oil Fields.....	6 1/2 Sept 18	13 Jan 3	10 1/8 Dec	14 3/8 Nov
*33 1/4 41 1/4	*33 1/4 41 1/4	*33 1/4 41 1/4	*31 1/2 4				Mining				
105 105	102 103	104 104	104 104				Adventure Con.....	1 1/4 Feb 17	5 1/8 Apr 11	4 Jan	4 3/4 Apr
12 1/2 12 1/2	11 1/4 12 1/4	11 1/4 12 1/2	11 1/4 12 1/2				324 Ahmeek.....	91 Aug 1	108 Sept 25	92 1/2 Dec	103 Aug
*1 1/8 1 1/2	*1 1/8 1 1/2	*1 1/8 1 1/2	*1 1/8 1 1/2				3,295 Alaska Gold.....	11 1/4 Sept 2	26 1/2 Jan 7	21 1/2 Dec	40 1/4 Apr



Outside Stock Exchanges

Boston Bond Record.—Transactions in bonds at Boston Stock Exchange Oct. 7 to Oct. 13, both inclusive:

Bonds—	Friday Last Sale Price.	Week's Range of Prices.		Sales for Week.	Range since Jan. 1.	
		Low.	High.		Low.	High.
Am Ag Chemical 5s...1924	100 1/4	100	100 1/4	\$12,000	96 1/4	July 100 1/4 Oct
5s...1928	103	103	103	10,000	100 1/4	July 103 1/4 Oct
Am Tel & Tel coll tr 4s 1929	92 1/4	92 1/4	92 1/4	7,000	90 1/4	Jan 93 Apr
Convertible 4 1/2s...1933	112 1/4	112 1/4	112 1/4	2,300	105 1/4	Mar 113 1/4 Oct
Atch Top & S Fe 4s...1935	93 1/4	93 1/4	93 1/4	1,000	92 1/4	Aug 95 1/4 Feb
Atl G & W I S S L 5s...1959	83	84	84	11,000	74	Jan 85 1/4 Sept
Chic June & U S Y 5s 1940	101 1/4	101 1/4	101 1/4	3,000	100 1/4	May 102 Aug
Current River 1st 5s...1927	100 1/4	100 1/4	100 1/4	3,000	100 1/4	Oct 100 1/4 Oct
Gt Nor-C B & Q 4s...1921	98 1/4	98 1/4	98 1/4	4,000	97 1/4	July 99 Feb
K C Ft S & Mem 6s...1934	101 1/4	101 1/4	102	1,000	101 1/4	Oct 110 Apr
K C Mem & B 4s...1934	80	80	80	1,000	80	Oct 92 Mar
Income 5s...1927	89 1/4	89 1/4	89 1/4	1,000	87 1/4	Feb 92 Sept
Mass Gas 4 1/2s...1931	95	95	95	1,000	93	Mar 96 Jan
N E Telephone 5s...1932	102	102 1/4	102 1/4	15,000	101 1/4	Jan 104 May
Swift & Co 5s...1944	101 1/4	101 1/4	102 1/4	29,000	98 1/4	Jan 102 1/4 Oct
United Fruit 4 1/2s...1925	97 1/4	97 1/4	97 1/4	1,500	97	Jan 97 1/4 Apr
U S Smelt R & M conv 6s	110 1/4	110 1/4	110 1/4	1,000	109 1/4	Apr 115 June
U S Steel Corp 5s...1933	106 1/4	106 1/4	106 1/4	2,000	104 1/4	Apr 106 Oct
Western Tel & Tel 5s 1932	101 1/4	100 1/4	101 1/4	11,000	99	Jan 101 1/4 June

Chicago Stock Exchange.—Complete record of transactions at Chicago Stock Exchange from Oct. 7 to Oct. 13, both inclusive, compiled from the official sales lists, is as follows:

Stocks—	Par.	Friday Last Sale Price.	Week's Range of Prices.		Sales for Week.	Range since Jan. 1.	
			Low.	High.		Low.	High.
American Radiator...100		400 1/4	400 1/4	400 1/4	15	385	Jan 405 Oct
Ame. Shipbuilding...100		56 1/4	52 1/4	60	2,264	33	Jan 60 Oct
Preferred...100		92 1/4	92 1/4	92 1/4	50	75 1/4	Jan 95 Sept
Amer Strawboard...100		37	30	37	273	12	May 37 Oct
Booth Fisheries, com...100		55	55	56 1/4	195	25	Jan 62 Sept
Preferred...100		86	85 1/4	88	385	66	Jan 88 Oct
Cal & Chic Canal & D...100		53	51 1/4	53	300	45	May 53 Oct
Chic City & C Ry pt sh com		5 1/4	4 1/4	5 1/4	4,059	2 1/4	July 5 1/4 Oct
Preferred...100		31 1/4	31	35	8,726	15	July 35 1/4 Oct
Chicago Elev Rys, com		10 1/4	12	12	3,610	5	May 12 Oct
Chic Pneumatic Tool...100		72	72	74 1/4	706	63 1/4	Mar 79 May
Chic Rys part of "1"...		77	77	77	5	70	Apr 80 Jan
Chic Rys part of "2"...		22 1/4	21	23 1/4	997	13	Apr 27 1/4 Oct
Chicago Title & Trust...100		214	225	225	159	221 1/4	Oct 249 1/4 July
Commonwealth Edison...100		145	145	145	115	139 1/4	June 147 Sept
Deere & Co, pref...100		94	95	95	36	89	May 98 Feb
Diamond Match...100		118	116 1/4	118	832	102	Mar 122 Sept
Edmunds & Jones, com 100		41 1/4	41 1/4	41 1/4	55	38 1/4	Aug 44 1/4 Sept
Hartman Corp...100		72	72	72	20	72	Sept 73 1/4 Sept
Hart, Shaff & Marx, com 100		88 1/4	88	89	155	86	Aug 91 Sept
Illinois Brick...100		88 1/4	88 1/4	88 1/4	233	76 1/4	Jan 89 1/4 Sept
Lindsay Light...100		21	20 1/4	22	1,130	6 1/4	Jan 25 Aug
National Carbon...100		218	225	225	287	167	July 225 Oct
Preferred...100		123	123 1/4	123 1/4	28	120 1/4	Feb 125 Aug
Pacific Gas & Elec Co...100		56 1/4	57 1/4	57 1/4	200	56 1/4	Oct 266 1/4 Apr
Peop Gas Lt & Cke...100		112 1/4	109 1/4	118	1,171	100	May 118 Oct
Pub Serv of N Ill, com...100		117	117	117	46	107	Jan 118 Sept
Preferred...100		102 1/4	101 1/4	102 1/4	29	100	Apr 104 Feb
Quaker Oats Co...100		325	325 1/4	325 1/4	127	309	Jan 363 Jan
Preferred...100		110 1/4	110 1/4	110 1/4	55	107	Jan 111 June
Sears-Roebuck, com...100		212 1/4	211	215	1,842	169 1/4	Mar 217 Sept
Preferred...100		125	126	126	25	124	Aug 127 Feb
Stew Warn Speed, com 100		113 1/4	112	116 1/4	7,892	82 1/4	Apr 119 Aug
Swift & Co...100		171	170	175	14,149	126 1/4	Jan 175 Oct
Union Carbide Co...100		168	168	171	1,822	155	Sept 215 Sept
Unit Paper Board, com 100		26 1/4	23 1/4	28	3,207	13 1/4	June 29 1/4 Oct
Preferred...100		74	75	75	135	51 1/4	June 75 1/4 Oct
Ward, Montg & Co, pref...100		114 1/4	114 1/4	116	28	112 1/4	June 117 1/4 Aug
Bonds.							
Armour & Co 4 1/2s...1939		93 1/4	93 1/4	93 1/4	\$3,000	92 1/4	Sept 94 1/4 Feb
Booth Fisheries s f 6s 1926		92	92	92	2,000	83	Mar 92 Sept
Chicago City Ry 5s...1927		99	99	99 1/4	18,000	98 1/4	Apr 100 Feb
Chic City & Con Rys 5s 1927		79	79	79 1/4	172,000	69 1/4	Sept 80 Oct
Chicago Rys 5s...1927		96 1/4	96 1/4	96 1/4	16,000	96	May 98 1/4 Feb
Chic Rys 5s...Series "A"		89 1/4	88 1/4	89 1/4	3,000	86 1/4	Aug 92 1/4 Feb
Chic Rys 4s...Series "B"		72	70 1/4	72	11,000	65 1/4	July 75 Jan
Chic Ry Adj Inc 4s 1927		40	40	40 1/4	54,900	33 1/4	June 41 Oct
Chicago Telephone 5s 1923		102 1/4	102 1/4	102 1/4	5,000	101 1/4	Apr 102 1/4 Feb
Ch On Sta 1st M g 4 1/2s '63		100 1/4	100 1/4	100 1/4	100	100	June 100 1/4 Feb
Commonwealth Edison 5s 1943		102 1/4	102 1/4	102 1/4	17,000	101 1/4	July 102 1/4 Jan
Metr W Side El 1st 4s 1938		73	73	73 1/4	7,000	71	May 73 1/4 Jan
Extension g 4s...1938		68	68	68	1,000	68	Oct 68 1/4 Mar
N W Elev RR 1st 5s...1941		85 1/4	85 1/4	85 1/4	1,000	85 1/4	Oct 89 1/4 Mar
Ogden Gas 5s...1945		95 1/4	95 1/4	95 1/4	3,000	95 1/4	Jan 97 1/4 Mar
Peop G L & C ref g 5s 1947		101 1/4	101 1/4	101 1/4	7,000	101 1/4	July 102 1/4 Jan
Chic Gas L & C 1st 5s '37		102 1/4	102 1/4	102 1/4	9,000	102	May 102 1/4 Jan
Pub Serv Co 1st ref g 5s 1956		96	96	96 1/4	75,000	94	Jan 96 1/4 Sept
South Side Elev 4 1/2s 1924		90	90	90	17,000	88 1/4	Jan 92 1/4 Apr
Sulzberger & Sons 1st 6s 1941		102 1/4	102	102 1/4	28,000	99 1/4	Apr 102 1/4 Sept
Swift & Co 1st g 5s...1944		101 1/4	101 1/4	102 1/4	25,500	98 1/4	Jan 102 1/4 Oct
Union Elec (Loop) 5s 1945		62	62	62	3,000	62	Oct 71 Feb

± Ex-dividend. a Ex-dividend 2%, stock dividend 40%. b Ex-div., ex-rights.

Pittsburgh Stock Exchange.—The complete record of transactions from Oct. 7 to Oct. 13, both inclusive, compiled from the official sales lists, is given below:

Stocks—	Par.	Friday Last Sale Price.	Week's Range of Prices.		Sales for Week.	Range since Jan. 1.	
			Low.	High.		Low.	High.
American Sewer Pipe...100		16	16	16	100	15	June 17 1/4 Jan
Am Wind Glass Mach...100		64 1/4	63 1/4	66	4,220	34 1/4	June 66 Oct
Preferred...100		128	127	128	163	122 1/4	July 155 Apr
Am Wind Glass pref...100		104	104	104	275	100	Feb 107 Aug
Caney River Gas...25		40 1/4	40 1/4	41	185	36	June 42 1/4 Jan
Columbia Gas & Elec...100		40 1/4	34	43 1/4	7,775	14 1/4	Mar 43 1/4 Oct
Consolidated Ice, pref...50		22	22	22	86	22	Oct 35 Jan
Harb-Walker Refract...100		120	115	120	106	71 1/4	Jan 120 Oct
Preferred...100		105 1/4	105 1/4	105 1/4	415	100	Jan 106 1/4 Oct
Independent Brewing...50		6	5 1/4	6	832	2 1/4	Mar 7 Sept
Preferred...50		22 1/4	22 1/4	23	211	15 1/4	Mar 23 Sept
La Belle Iron Works...100		73	73	77	670	49	June 80 1/4 Oct
Lone Star Gas...100		89	89	89	30	87	Aug 93 Jan
Mfrs Light & Heat...50		57	57	58	393	49 1/4	Apr 59 1/4 Sept
Nat Fireproofing...50		8 1/4	8 1/4	8 1/4	1,023	6 1/4	July 12 Jan
Preferred...50		18 1/4	18 1/4	20	645	15 1/4	July 24 1/4 Jan
Ohio Fuel Oil...1		17 1/4	17	17 1/4	570	14	Aug 19 Jan
Ohio Fuel Supply...25		49 1/4	48	50	2,575	38	Feb 50 Oct
Osage & Oklahoma Co...100		105 1/4	105 1/4	105 1/4	10	98	Mar 106 Jan
Pittsb Brewing com...50		6	5 1/4	6	552	4 1/4	Mar 6 1/4 Aug
Preferred...50		25 1/4	24 1/4	26	470	16 1/4	Feb 26 Oct
Pittsburgh Coal...100		36 1/4	36 1/4	37	210	23 1/4	Apr 37 1/4 Oct
Pitts Cons M M & T...1		7e	6e	8e	18,033	5e	Sept 8e Sept
Pitts Oil & Gas...100		12 1/4	8 1/4	12 1/4	3,830	6 1/4	Mar 10 1/4 Oct
Pittsb Plate Glass...100		126	125	126	110	115	Jan 128 Sept
Pure Oil common...5		21 1/4	21	21 1/4	3,613	21 1/4	May 21 1/4 Sept
Ross Mining & Milling...1		35e	34e	38e	32,160	5e	Apr 45e Oct
San Toy Mining...1		20e	20e	23e	55,500	14e	June 25e Jan

Stocks—(Concl.)	Par.	Friday Last Sale Price.	Week's Range of Prices.		Sales for Week.	Range since Jan. 1.	
			Low.	High.		Low.	High.
Union Natural Gas...175		175	175	175	15	141 1/4	Apr 175 Oct
Union Switch & Signal...50		118 1/4	119	119	30	109	May 126 Jan
U S Glass...100		42 1/4	44	44	1,135	25 1/4	June 46 1/4 Oct
U S Steel Corp com...100		111 1/4	110 1/4	112 1/4	246	80 1/4	Jan 119 1/4 Sept
Westhouse Air Brake...50		155	158 1/4	158 1/4	1,125	133 1/4	Apr 160 Oct
Westhouse Elec & Mfg...50		61	60 1/4	65	2,205	53 1/4	July 71 1/4 Mar
Preferred...50		74	74	74	75	70	Apr 79 1/4 Jan
West Penn Rys pref...100		75	75	75	25	73	June 75 June
West Penn Tr & W P...100		23	23	23	210	17	Jan 24 Sept
Bonds.							
Cent Dist Telep 5s...1943		103	103	103	\$2,000	101 1/4	Jan 103 1/4 Mar
Columbia Gas & El 5s 1927		88	88	88	1,000	80	Feb 88 Oct
Independ Brewing 6s 1955		60	60	60	3,000	49	Mar 62 Aug
Pittsb Coal deb 5s...1931		99	99 1/4	99 1/4	15,500	96 1/4	May 99 1/4 Oct
West Penn Ry 5s...1931		100	100	100	500	100	Jan 100 1/4 Apr

Philadelphia Stock Exchange.—Record of transactions at the Philadelphia Stock Exchange from Oct. 7 to Oct. 13 both inclusive, compiled from the official sales lists:

Stocks—	Par.	Friday Last Sale Price.	Week's Range of Prices		Sales for Week Shares.	Range since Jan. 1.			
			Low.	High.		Low.	High.		
American Gas of N J...	100	120	120	121 1/4	54	119	July	123	Feb
American Rys pref.	100	98	97	98	548	93 1/4	Feb	100	Mar
Baldwin Locomotive...	100	85	85	85	50	69	July	115 1/4	Feb
Buff & Susq Corp v t e...	100	56	56	56 1/4	55	38	Jan	56 1/4	Oct
Preferred v t e...	100	56 1/4	56 1/4	56 1/4	16	54	July	62 1/4	Jan
Cambria Iron...	50	45	45	45	70	44	Jan	47	Oct
Cambria Steel...	50	100	90	100	344	70 1/4	Jan	100	Oct
Elec Storage Battery...	100	68	68	69 1/4	3,158	58 1/4	Apr	72 1/4	Sept
General Asphalt...	100	30 1/4	30 1/4	30 1/4	50	27 1/4	Aug	38	Mar
Preferred...	100	72	72	72	65	69	Aug	73 1/4	Mar
Hunt & Broad T pref...	50	10	10	10	20	9	July	12	Mar
Insurance Co of N A...	10	27 1/4	27 1/4	27 1/4	133	25	Jan	27 1/4	Oct
Kentucky Securities...	100	22 1/2	22 1/2	22 1/2	100	16 1/2	Feb	22 1/2	Oct
Keystone Telephone...	50	13	13	13	10	12 1/4	Oct	15	Jan
Preferred...	50	68	68	68	55	67 1/4	July	70 1/4	Apr
Lake Superior Corp...	100	13 1/4	11 1/4	14 1/4	14,055	8 1/4	Jan	15 1/4	Sept
Lehigh Navigation...	50	77 1/4	75 1/4	77 1/4	266	74	May	79 1/4	Jan
Lehigh Valley...	50	84	81	85 1/4	2,019	74 1/4	Jan	87	Oct
Lehigh Val Transit pref...	50	43	42 1/2	43	165	38	Jan	44 1/2	Mar
Lit Brothers...	10	19 1/4	19 1/4	19 1/4	100	19	Mar	20	Feb
Minehill & S H...	50	57	57	57	36	56	Feb	58 1/4	Jun
North Central...	50	88 1/4	88 1/4	88 1/4	7	85	Sept	90	Jan
Pennsly Salt Mfg...	50	100	99 1/4	100	62	97	July	102 1/4	Feb
Pennsylvania...	50	57 1/2	57 1/2	58 1/2	5,242	55 1/4	Aug	60	Oct
Philadelphia Co (Pitts)...	50	40 1/4	40 1/4	41 1/4	200	38 1/4	Sept	45 1/4	Jan
Pref (cumulative 6%)...	50	41 1/4	41	41 1/4	388	39 1/4	July	45	Apr
Phillard Electric...	22 1/2	28 1/4	28 1/4	28 1/4	750	27	Mar	29 1/4	Jun
Phil Rap Tr vot tr rec...	50	19 1/4	18 1/4	19 1/4	5,786	17	May	21 1/4	Sept
Philadelphia Traction...	50	80	79 1/4	80	21	75	May	80	Oct
Reading...	50	105 1/2	105 1/4	111 1/4	1,875	75 1/4	Jan	115 1/4	Sept
2d preferred...	50	46 1/4	46 1/4	46 1/4	50	42 1/4	Jan	51 1/4	Mar
Tono-Belmont Devel...	1	4 1/4	4 1/4	4 1/4	1,840	4	Mar	5 7/8	16-Mar
Tonopah Mining...	1	5 15-18	5 1/4	6	1,153	5 1/4	Aug	7	Jan
Union Traction...	50	44	44	44 1/4	1,003	41 1/4	Jan	46 1/4	Sept
United Ccs of N J...	100	224	224	224	16	222 1/4	July	227 1/4	Jun
United Gas Impt...	50	89 1/4	88 1/4	89 1/4	738	87 1/4	May	92 1/4	Jan
U S Steel Corporation...	100	108 1/4	108 1/4	116 1/4	33,560	79 1/4	Mar	120	Sept
Preferred...	100	119 1/4	119 1/4	119 1/4	10	115 1/4	May	121 1/4	Sept
Warwick Iron & Steel...	10	9 1/4	9 1/4	9 1/4	625	9 1/4	Aug	11 1/4	Jun
West Jersey & Sea Sh...	50	50 1/4	50 1/4	50 1/4	36	48 1/4	Sept	51	Jan
Westmoreland Coal...	50	72 1/4	72 1/4	72 1/4	75	65 1/4	Apr	72 1/4	Oct
Wm Cramp & Sons...	100	79 1/4	79 1/4	81 1/4	945	70	Mar	87	Jan
York Railways...	50	13 1/4	13 1/4	13 1/4	50	8 1/4	Feb	16 1/4	Jun
Bonds.									
Amer Gas & Elec 5s...	2007	96 1/4	96 1/4	97	\$15,000	89 1/4	Jan	97	Oct
do do small...	2007		96	96 1/4	1,000	89 1/4	Jan	96 1/4	Oct
Baldwin Locom 1st 5s...	1940	104	104	104	1,000	104	May	106	Mar
Edis Elec stk tr ctf 5s...	1946	109	109	2,000	105	Mar	109	109	Sept
Elec & Peoples tr ctf 4s...	45	80 1/4	81	10,000	79 1/4	May	81 1/4	Feb	Jan
do do small...	1945	80 1/4	82	1,600	76	Apr	83	Jan	Feb
Equit III Gas Lt 5s...	1928	105 1/4	105 1/4	1,000	105 1/4	Sept	106 1/4	Jan	Feb
Keystone Telep 1st 5s...	1935	97 1/4	97 1/4	3,000	96	Jan	100	Feb	Jan
Lake Superior Corp 5s...	1924	37	36	37 1/4	36,000	20 1/4	Jan	39 1/4	Sept
Lch C & Nav cons 4 1/4s...	54	102 1/4	102 1/4	12,000	101	Aug	103 1/4	Feb	Jan
Lehigh Vall cons reg 6s...	1923	110	110	10,000	109 1/4	Sept	111	Jun	Feb
General cons 4s...	2093	91 1/4	91 1/4	2,000	89	Sept	94	Feb	Jan
General cons 4 1/4s...	2003	100 1/4	101	116,000	99 1/4	Aug	103 1/4	Feb	Jan
Newark Passenger 5s...	1930	104 1/4	104 1/4	2,000	104 1/4	Oct	104 1/4	Oct	Jan
Penn RR gen 4 1/2s...	1965	102 1/4	102 1/4	14,000	100 1/4	Jan	103	Feb	Jan
Consol 4 1/4s...	1960	105 1/4	105 1/4	49,000	104 1/4	July	106 1/4	Feb	Jan
Philadelphia Co 1st 5s...	1949	101 1/4	101 1/4	11,000	100 1/4	Aug	101 1/4	Feb	Jan
Cons & coll tr 5s...	1951	87	87	89	3,000	87	Aug	94	Feb
Phil Elec tr ctf 5s...	1948	105 1/4	105 1/4	13,000	103 1/4	Jan	105 1/4	Oct	Jan
do do small...	1948	105	105 1/4	1,000	103	Jan	105 1/4	Oct	Jan
Trust certfs 4s...	1950	86	85 1/4	86	10,000	81 1/4	May	86 1/4	Sept
do do small...	1950		85	85 1/4	600	82	May	85 1/4	Oct
Phila & Erie gen 4s...	1920	99 1/4	99 1/4	1,000	99 1/4	Oct	99 1/4	Oct	Jan
Reading gen 4s...	1997	96	96 1/4	11,000	93 1/4	May	96 1/4	Jan	Feb
J-C collat 4s...	1951	95 1/4	95 1/4	1,000	95	Jan	97	Jun	Oct
Schuylkill Riv E S 4s...	1925	99 1/4	99 1/4	2,000	98 1/4	Feb	99 1/4	Oct	Jan
Standard Gas & El 6s...	1926	99 1/4	99 1/4	3,000	98 1/4	Jan	102 1/4	Mar	Jan
United Rys Invest 5s...	1926	70 1/4	70 1/4	10,000	67 1/4	Sept	74	Apr	Jan
Weisbach Co 5s...	1930	89	89	99	1,500	94 1/4	Jan	99 1/4	Sept
York Railways 1st 5s...	1937	97	96 1/4	97 1/4	11,000	92 1/4	Jan	97 1/4	Oct



Stocks (Concl.)—Par.	Friday Last Sale Price.	Week's Range of Prices.		Sales for Week Shares.	Range since Jan. 1.			
		Low.	High.		Low.	High.	Low.	High.
United Ry & Elec.....50	28	28	28 1/4	965	25 1/2	Jan 29	Feb	
Wayland Oil & Gas.....5	5	5	5	255	3 1/4	Aug 9 1/4	Feb	
<b>Bonds—</b>								
Alabama Coal & I 5s.....	85	85	85	1,000	76 1/4	Jan 85	Oct	
Ala Co gen 6s with notes.....	73	73	73	7,600	73	Oct 73	Oct	
Anacostia & Potom 5s 1949.....	100	100	100	1,000	96	Jan 100	Sept	
Atlan & Charleston 1st 5s.....	102 1/2	102 1/2	102 3/4	4,000	101	Sept 103	Mar	
Atlanta Consol St 5s.....1939	103 1/2	103 1/2	103 3/4	2,000	103 1/4	Apr 103 1/4	July	
Atl C L RR conv deb 4s '39.....	93 1/2	94	94	5,000	91	June 94	Oct	
Atl C L (Conn) otf 5s 1920.....	92	92	92	100	92	Oct 92	Oct	
Balt Spar P & C 4 1/2s.....1953	97	97	97	2,000	95 1/2	Jan 98 1/2	Mar	
Chicago Ry 1st 5s.....1927	96 1/2	96 1/2	96 3/4	1,000	96	Jan 99 1/2	Feb	
City & Suburban 1st 5s '22.....	102 1/2	102 1/2	102 3/4	2,000	102 1/2	Jan 103	May	
Cons Gas gen 4 1/2s.....1954	94 1/2	94 1/2	94 3/4	4,000	92 1/2	May 94 1/2	Oct	
Cons G, E L & P 4 1/2s.....1935	91 1/2	91 1/2	91 3/4	5,000	86 1/2	Aug 91 1/2	Oct	
Consol Coal Ref 5s.....1950	92	92 1/2	92 1/2	3,000	91	July 93	Jan	
Convertible 6s.....1923	103 1/2	103 1/2	103 3/4	5,000	102 1/2	Sept 105	Jan	
Cosden Gas 6s.....	101 1/2	101 1/2	102	203,000	100	Aug 120	June	
Elkhorn Coal Corp 6s.....1925	97	97	97 1/2	9,000	96 1/2	Aug 98 1/2	Jan	
Elkhorn Fuel 5s.....1918	99 1/2	99 1/2	99 3/4	3,000	99 1/2	Aug 100 1/2	Feb	
Ga & Ala cons 5s.....1945	103 1/2	103 1/2	103 3/4	2,000	102	Apr 104	Apr	
Ga Car & Nor 1st 5s.....1929	102 1/2	102 1/2	102 3/4	6,000	102	Aug 103 1/2	Jan	
Ga Sou & Florida 5s.....1945	101 1/2	101 1/2	101 3/4	2,000	101	July 103	Jan	
<b>G-B-S-Brewing—</b>								
Funding 6s small.....1934	30	30	30	800	30	Oct 30	Oct	
Hagerst'n & Fred 6s small.....	100	100	100	200	100	Oct 100	Oct	
Hous Oil div otf 5s.....	81	81	81	500	80 1/2	May 82 1/2	Jan	
Kirby Lumber Contr 6s '23.....	98 1/2	98 1/2	98 3/4	4,000	98 1/2	Jan 99 1/2	Jan	
Maryl'd El Ry 1st 5s.....1931	99	98 1/2	99	10,000	96 1/2	Jan 99	Mar	
Merch & Miners Trans 6s.....	103 1/2	103 1/2	103 3/4	10,000	101	Jan 103 1/2	June	
N News & Old Pt 1st 5s '38.....	99	99	99	2,000	99	Oct 99 1/2	Mar	
Norfolk & Ports Trac 5s.....1936	86	86	86	1,000	81 1/2	Jan 86	July	
Norfolk Ry & Lt 5s.....1949	98	98	98	2,000	95	Feb 98	Oct	
No Central 4 1/2s.....1925	102 1/2	102 1/2	102 3/4	1,000	102 1/2	Oct 102 1/2	Oct	
Pennsylv W & P 5s.....1940	93	93	93	5,000	90	Jan 93	Oct	
Pitts Alleg Tel 5s.....	73	73	73	3,000	73	Oct 73	Oct	
Ral & Gaston 1st 5s.....1947	107 1/2	107 1/2	107 3/4	21,000	107 1/2	May 107 1/2	Oct	
United Ry & Elec 4s.....1949	83 1/2	84	84	24,000	82	July 85	Jan	
Income 4s.....1949	64	64	64	22,000	60 1/2	June 64	May	
Funding 5s.....1936	87 1/2	87 1/2	87 3/4	4,500	84 1/2	Jan 87 1/2	Oct	
do small.....1936	87 1/2	87 1/2	87 3/4	600	83 1/2	May 88 1/2	Oct	
Va Ry & Power 5s.....1934	88	88	88	1,000	88	Oct 91	Jan	

## Volume of Business at Stock Exchanges

## TRANSACTIONS AT THE NEW YORK STOCK EXCHANGE DAILY, WEEKLY AND YEARLY.

Week ending Oct. 13 1916.	Stocks.		Railroad, &c., Bonds.	State, Mun. & Foreign Bonds.	U. S. Bonds.
	Shares.	Par Value.			
Saturday.....	672,736	\$58,930,100	\$1,833,000	\$1,186,000	\$5,000
Monday.....	1,927,870	168,657,500	3,071,500	1,309,000	-----
Tuesday.....	1,137,512	99,806,575	3,711,500	1,170,500	-----
Wednesday.....	1,325,850	116,648,000	3,236,500	1,515,500	5,000
Thursday.....	939,444	84,531,600	3,233,500	1,525,000	-----
Friday.....	939,444	84,531,600	3,233,500	1,525,000	-----
Total.....	6,003,412	\$528,573,775	\$15,086,000	\$6,706,000	\$10,000

Sales at New York Stock Exchange.	Week ending Oct. 13.		Jan. 1 to Oct. 13.	
	1916.	1915.	1916.	1915.
Stocks—No. shares.....	6,003,412	4,954,931	148,462,727	129,120,780
Par value.....	\$528,573,775	\$420,128,750	\$12,811,561,590	\$11,106,171,640
Bank shares, par.....	\$8,000	\$700	\$199,800	\$141,000
<b>Bonds.</b>				
Government bonds.....	\$10,000	-----	\$732,450	\$847,000
State, mun., &c., bonds.....	6,706,000	\$656,500	224,684,000	19,306,500
RR. & misc. bonds.....	15,086,000	21,707,000	614,255,000	636,230,700
Total bonds.....	\$21,802,000	\$22,363,500	\$839,671,450	\$656,384,200

## DAILY TRANSACTIONS AT THE BOSTON, PHILADELPHIA AND BALTIMORE EXCHANGES.

Week ending Oct. 13 1916.	Boston.		Philadelphia.		Baltimore.	
	Shares.	Bond Sales.	Shares.	Bond Sales.	Shares.	Bond Sales.
Saturday.....	16,965	\$10,500	7,052	\$19,500	2,838	\$61,600
Monday.....	45,596	21,000	23,505	57,000	6,298	57,000
Tuesday.....	43,458	34,000	23,139	109,500	3,158	148,000
Wednesday.....	45,342	24,800	19,665	114,200	5,104	84,000
Thursday.....	33,224	27,000	13,642	59,000	2,523	47,200
Friday.....	33,224	27,000	13,642	59,000	2,523	47,200
Total.....	184,585	\$117,300	87,003	\$359,200	19,921	\$397,800

**New York "Curb" Market.**—Below we give a record of the transactions in the outside security market from Oct. 7 to Oct. 13, both inclusive. It covers all the sales for the week ending Friday afternoon.

Week ending Oct. 13.	Friday Last Sale Price.	Week's Range of Prices.		Sales for Week Shares.	Range since Jan. 1.			
		Low.	High.		Low.	High.	Low.	High.
Aeolian Weber Piano & Pianola.....100	28	25	28	350	12	Apr 34	Jan	
Aetna Explos. r. (no par).....	10 1/2	9 1/2	11 1/4	20,500	7	July 25	Feb	
Amer Druggist Synd. r. 100.....	12	12	12	100	11 1/2	June 14 1/2	Jan	
Amer Sumatra Tob. r. 100.....	23 1/2	22	25 1/4	7,100	19 1/2	Oct 25 1/4	Oct	
Am Writ Paper com. r. 100.....	4	4	4	100	2	Mar 6 1/2	Sept	
Brit-Amer Tob ord'y.....21	19 1/2	19 1/2	19 1/2	300	16	Jan 20	Aug	
Ordinary bearer.....5	19 1/2	19 1/2	19 1/2	100	15 1/2	May 20 1/2	Aug	
Butler Chemical r.....21	4	4	4 1/4	830	2 1/2	Mar 7 1/2	Apr	
Butterworth-Judson r. (t).....	69 1/2	68 1/2	72 1/2	26,900	60	Sept 72 1/2	Oct	
Carbon Steel, com. r. 100.....	92 1/2	92	92 1/2	150	55	Feb 95	Oct	
California Shipbldg. r. 100.....	13 1/2	13	14	2,900	13	Oct 14	Oct	
Car Ltg & Power r.....25	4	4	4 1/2	1,900	3 1/2	Aug 7 1/2	Apr	
Charcoal Iron Co of Am. 10.....	7 1/2	6 1/2	7 1/2	3,600	5 1/2	Aug 8 1/2	May	
Preferred.....10	7 1/2	7 1/2	7 1/2	3,250	5 1/2	June 7 1/2	Oct	
Chevrolet Motor.....100	191	185	198	4,010	115	Jan 278	June	
Emerson Phonograph.....5	9	8 1/2	9 1/2	780	8 1/2	Oct 14 1/2	Jan	
Falls Motors Corp. r. 10.....	9	8 1/2	9 1/2	1,600	8 1/2	Oct 9 1/2	Sept	
Fisher Body Corp. r. (no par).....	40 1/2	40	40 1/2	400	37 1/2	Aug 42 1/2	Oct	
Gaston, Williams & Wigmore. r. (no par).....50	47	47	51	5,500	37 1/2	July 70 1/2	Apr	
Genl Amer Tank Car.....	96	96	96	100	96	Oct 96	Oct	
First preferred. r. 100.....	145	145	152	500	124	Sept 160	Sept	
General Motors. r. w. l. ....	94	94	94	400	94	Sept 98	Sept	
Grant Motor Car Corp. 10.....	39	39	40 1/2	1,000	7	Apr 14	June	
Haskell & Bark Car (no par).....	39	39	40 1/2	950	33 1/2	July 54 1/2	Jan	
Havana Tobacco, com. 100.....	2 1/2	2 1/2	3 1/2	2,100	1 1/2	Oct 3 1/2	Oct	
Preferred.....100	2 1/2	2 1/2	3 1/2	1,150	3 1/2	Oct 6 1/2	Oct	
Holly Sugar com. (no par).....	48 1/2	49	49	300	41	Apr 55	June	
Preferred.....100	97	97	98 1/2	300	93 1/2	July 99	Oct	
Hupp Motor Car Corp. 10.....	28 1/2	28 1/2	28 1/2	700	27 1/2	Oct 11 1/2	June	
Hutchinson Sug Plant r 25.....	28 1/2	28 1/2	28 1/2	675	27 1/2	Sept 28 1/2	Oct	
Imp Carbon Chaser. r. 1.....	50c	45c	50c	26,750	25c	Aug 53c	Sept	

Stocks—(Concl.)	Par.	Last Sale Price.	Week's Range of Prices.		Sales for Week Shares.	Range since Jan. 1			
			Low.	High.		Low.		High.	
Intercontinental Rubb. 100			13	15 1/2	5,800	10	June	*19	Sept
Joplin Ore & Spelter. r. o. 5		50c	40c	50c	9,500	035c	Sept	061c	Aug
Kathodion Bronze, pref. 5		9 1/2	9	15	1,800	9	Oct	33	Jan
Keystone Tire & Rubb. 10		18 1/2	17 1/2	*19 1/2	7,700	12	Sept	19 1/2	Oct
Kresge (S S) Co, com. r. 10			13	13 1/2	1,000	10	June	w16 1/2	Jan
Lake Torpedo Boat. r. 10		11	10 1/2	12 1/2	8,000	6 1/2	July	13 1/2	Jan
1st preferred. r. 10			11 1/2	12	550	8 1/2	July	14 1/2	Jan
Manhattan Transit. 20		3 1/2	3 1/2	3 1/2	500	3 1/2	Oct	2 1/2	Jan
Marconi Wire Tel of Am. 5			3 1/2	3 1/2	1,000	3	Apr	4 1/2	Jan
Marlin Arms v t c (no par)		39 1/2	34	40	2,700	23	June	40	Oct
Preferred v t c. 100		90	85	90	600	70	May	90	Oct
Maxim Munitions. r. 10		6	5 1/2	6 1/2	2,900	4	Mar	13	Jan
Mexican Petrol Export r. 10		19 1/2	19 1/2	19 1/2	300	17 1/2	Sept	19 1/2	Oct
Midvale Steel & Ord. r. 50		66 1/2	66	70 1/2	78,000	57	Apr	77 1/2	Jan
Mitchell Mot. r. w. 50		64 1/2	64	67 1/2	7,950	64	Aug	73 1/2	Sept
Paauhau Sugar. r. 10		27 1/2	27 1/2	27 1/2	275	27 1/2	Oct	27 1/2	Oct
Peerless Truck & Motor. 50		23 1/2	23 1/2	23 1/2	400	20 1/2	May	32	Jan
Poole Eng & Mach. r. 100			106	110	125	86 1/2	Sept	150	Jan
Pugh Stores Corp. r. w. l. 10		10	9 1/2	10 1/2	5,700	w9 3/4	Oct	w10 1/2	Oct
Pullman Ventilator Corp. r. 5		2 1/2	2 1/2	3	2,450	2	Sept	4 1/2	Oct
Preferred. r. 10		5 1/2	4 1/2	5 1/2	1,000	4 1/2	Oct	6 1/2	Aug
Republic Mot Truck r (t). 5			69	70	7,370	54	Aug	77	Sept
Riker & Heg (Corp for) r. 5		5 1/2	5 1/2	5 1/2	1,600	4 1/2	Mar	6 1/2	Feb
St Joseph Lead. r. 10		18 1/2	18	19	3,800	14	July	19	Oct
Scripps-Booth. r. (no par) 5			52	56 1/2	1,850	49 1/2	Sept	62	Sept
Seab'd St & Manganese (t) 5		29 1/2	29 1/2	29 1/2	600	24 1/2	Aug	30	Sept
Smith & Terry Transp pf 10		10 1/2	10 1/2	10 1/2	1,300	9 1/2	Aug	11 1/2	Sept
Springfield Body Corp. 100		88	88	94	685	51	Apr	101	Oct
Preferred. 100			130	130	70	101	Apr	131	Oct
Standard Mot Const. r. 10			7 1/2	8 1/2	515	5 1/2	Aug	10 1/2	Feb
Steel Alloys Corp. r. 5			3 1/2	3 1/2	2,200	2 1/2	Sept	3 1/2	Oct
Sterling Gum. 5			3 1/2	3 1/2	4,000	3 1/2	July	2 1/2	Jan
Stromberg Carbur (no par) 5			38 1/2	40	1,200	39 1/2	Oct	45 1/2	Aug
Submarine Boat. (no par) 10		41 1/2	38	43 1/2	28,000	31 1/2	July	45 1/2	Oct
Todd Shipyards (no par) 10		83	81	83	1,740	73 1/2	July	83	Oct
Triangle Film Corp v t c. 5		2	2 1/2	2 1/2	950	2	June	6 1/2	Jan
United Alloys Steel Corp. r. 10		49 1/2	49	51 1/2	47,350	49	Oct	51 1/2	Oct
United Motors. r. (no par) 10		67 1/2	61 1/2	69 1/2	41,000	57	Aug	94	June
United Profit Sharing. 10			3 1/2	1	2,900	3 1/2	May	2 1-16	Jan
US Ligat & Heat Corp r 10		2 1/2	2 1/2	2 1/2	1,000	2 1/2	July	4 1/2	Jan
U S Steamship. 10		6 1/2	6 1/2	7 1/2	5,100	4	Apr	8	Sept
U S Tungsten. r. 1		36	33	36	22,900	27	Sept	36	Oct
United Zinc Smelt (no par) 10			4 1/2	5	400	4 1/2	Sept	8 1/2	June
Western Pacific RR. r. 100		17 1/2	15 1/2	17 1/2	2,300	12	Sept	17 1/2	Oct
Preferred. r. 100		40	40	43	100	36	Sept	45	Sept
White Motor. 50		56 1/2	54 1/2	58 1/2	11,850	46 1/2	Jan	60	June
World Film v t c. 10		1 1/2	1	1 1/2	6,900	3 1/2	July	3	Jan
Zinc Concentrating. r. 10		4 1/2	4 1/2	5 1/2	8,200	3 1/2	Aug	6 1/2	Apr



Mining (Concluded). Par	Friday Last Sale Price.	Week's Range of Prices		Sales for Week Shares.	Range since Jan. 1.	
		Low.	High.		Low.	High.
Kewanas r.....	1	14	16 1/2	11,700	8 1/2	July 22c Jan
Louisiana Consolidated 10c	41c	40c	42c	39,500	12c	May 42c Sept
Magma Copper.....	17 1/2	17 1/2	18 1/2	1,800	13	July 19 1/2 May
Marsh Mining r.....	11c	11c	11c	1,000	10c	Aug 41c Mar
Marysville Gold Mining. 1	1 7-16	1 1/2	1 7-16	12,000	1	Aug 1 1/2 Sept
Mason Valley.....	5	4 1/2	5 1/2	8,500	2	July 5 1/2 Oct
McKinley-Darragh-Sav. 1	60c	62c	62c	1,500	38c	Mar 72c May
Mojave Tungsten r.....	2	3 1/2	4 1/2	1,605	2 1/2	Aug 8 May
Monitor Sil L & Z M & M 1	2	2	2 1/2	19,505	3 1/2	Apr 2 1/2 May
Montana Gold Mines r. 1	91c	91c	95c	3,500	84c	June 1 Aug
Mother Lode r.....	29 1/2	29 1/2	35c	106,000	20c	Jan 43c Apr.
Nevada Utah Blng'm 2.50	1	1	1 1/2	3,100	1	Sept 5 1/2 Jan
Newray Mines, Ltd. r.....	71c	69c	71c	29,000	34c	June 72c Sept
N.Y. & Honduras Rosario. 10	15 1/2	15 1/2	15 1/2	3,075	15	Aug 17 1/2 June
Nipissing.....	5	8	7 1/2	1,700	6 1/2	Feb 9 1/2 Sept
Oatman Gold Key f.....	15c	15c	15c	4,500	15c	Oct 25c Apr
Old Emma Leasing r.....	50c	48c	73c	57,450	12c	Aug 82c Oct
Pittsboro Copper r. 41	2 3-16	2 1/2	2 3/4	16,900	85c	July 2 1/2 Oct
Ray Hercules r.....	5	3 1/2	3 1/2	4,300	2 1/2	Mar 5 1/2 Mar
Rex Consolidated r.....	29 1/2	28c	32c	31,500	10c	Aug 39c May
Rochester Mines.....	60c	56c	65c	18,120	50c	Sept 78c May
Round Mountain r.....	1	40c	40c	700	34c	Sept 78c May
St Nicholas Zinc r.....	19c	19c	20c	2,400	13c	Aug 26c Jan
San Toy Mining.....	19c	18c	20c	6,700	3c	Feb 23 1/2 Sept
Silver Pick Consol. r.....	1 1/2	1 1/2	1 1/2	4,300	1	July 2 Jan
Standard Silver-Lead.....	40c	36c	42c	25,000	30c	Aug 95c Feb
Temiskaming r.....	61c	61c	61c	500	51c	Mar 81c May
Tommy Burns Gold pf r. 1	76c	73c	76c	46,500	62c	Sept 76c Oct
Tonopah Belmont r.....	4 5-16	4 1/2	4 1/2	675	4	June 5 1/2 May
Tonopah Extension.....	4 15-16	4 1/2	5 1/2	2,900	3 15-16	Jan 7 1/2 May
United Eastern.....	9 1/2	9 1/2	11c	20,500	4c	Aug 18c Mar
U S Continental Mines r. 1	37 1/2	37 1/2	39 1/2	11,500	6 1/2	Jan 45 Sept
United Verde Exten. r. 50c	3 1/2	3 1/2	3 1/2	2,970	1 1/2	Apr 3 1/2 Sept
Unity Gold Mines.....	73c	73c	77c	2,900	65c	Sept 1 1/2 June
West End Consolidated.....	47c	41c	47c	10,500	22 1/2	June 52c Oct
White Oaks Mining r. 5	4 1/2	4	4 1/2	1,085	3 1/2	Aug 16 1/2 May
Yukon-Alaska Tr r (no par)	46	44	46	1,940	39	Feb 45 Feb
Yusecan Consol. r.....	1 1/2	1 1/2	1 1/2	1,850	1 1/2	July 1 1/2 May

\*Odd lots. † No par value. ‡ Listed as a prospect. § Listed on the Stock Exchange this week, where additional transactions will be found. ¶ New stock, par value \$12.50. Ⓜ Old stock, par value \$25. Ⓝ New stock. Ⓡ Unlisted. Ⓢ Ex-100% stock dividend. Ⓣ \$50 paid. Ⓤ Ex-cash and stock dividends. Ⓥ \$10 paid. Ⓦ When issued. Ⓧ Ex-dividend. Ⓨ Ex-rights. Ⓩ Ex-stock dividend.

## CURRENT NOTICE.

—C. E. Denison Co., Boston & Cleveland, is offering at 98 and interest a block of Youngstown & Ohio River RR. 5% 1st Mortgage bonds, dated April 1 1910. Due April 1 1935. Denom. \$1,000. A complete description of this issue will be found in V. 91, p. 40.

—Charles C. Hood, Frederick D. Bolles and Ferdinand F. Jelke (as special) announce that they have formed a partnership under the firm name of Hood & Bolles, with offices at 40 Wall St., this city, to transact a business in high-grade investment bonds.

—As a matter of record only, Chas. D. Barney & Co., of Philadelphia, and New York, are advertising \$2,000,000 General American Tank Car Corporation 7% cumulative first preferred stock in this issue of the "Chronicle."

## New York City Banks and Trust Companies

Banks-N.Y.		Banks.		Trust Co's.				
Bid	Ask	Bid	Ask	Bid	Ask			
America*	540	550	Manhattan *	†321	-----	New York		
Amer Exch.	230	237	Mark & Fult	245		Astor	460	470
Atlantic	180	185	Mech & Met	285	290	Bankers Tr.	473	477
Battery Park	165	175	Merchants*	232		B'way Trust	145	150
Bowery *	400	-----	Metropolis*	290		Central Trust	785	795
Bronx Boro*	200	-----	Metropol'n*	178	185	Columbia	615	630
Bronx Nat.		180	Mutual	350		Commercial	110	-----
Bryant Park*	140	150	New Neth*	215	225	Empire	290	310
Butch & Dr.	115	-----	New York Co.		725	Equitable Tr	490	500
Chase, new	370	375	New York	†396½		Farm L & Tr	1600	1675
Chat & Phen	228	233	Pacific *	275		Fidelity	200	210
Chelsea Ex*		125	Park	477	485	Fulton	280	-----
Chemical	395	402	People's*	220	235	Guaranty Tr	448	455
CitizensCent	175	180	Prod Exch*.		198	Hudson	140	147
City	500	507	Public *	220		Law Tit & Tr	137	145
Coal & Iron.	185	195	Seaboard	420	430	Lincoln Trust	108	117
Colonial*	450	-----	Second	395	410	Metropolitan	410	420
Columbia*	310	-----	Sherman	125	135	Mut'l (West-		-----
Commerce	†175	†176	State *	113	118	chester)	125	-----
Corn Exch*	335	340	23d Ward	100	135	N Y Life Ins		
Cosmopol'n*	85	100	Union Exch.	147	155	& Trust	975	1000
East River	70	75	Unit States*	500	-----	N Y Trust	610	625
Fidelity*	150	165	Wash H'ts*	275		Title Gu' Tr	400	406
Fifth Ave*	4300	4800	Westch Av*	160	175	Transatlan'c		155
Fifth	250	275	West Side*	385	410	Union Trust	400	410
First	990	1010	Yorkville*	525	550	US Mtg & Tr	435	445
Garfield	175	190	Brooklyn			United States	1010	1025
Germ-Amer*	130	140	Coney Isl'd*	130	140	Westchester.	130	140
German Ex*	390	-----	First	255	270			
Germania *	410	-----	Flatbush	170	-----	Brooklyn		
Gotham	200	-----	Greenpoint	150	165	Brooklyn Tr	550	-----
Greenwich*	315	-----	Hillside	110	120	Franklin	255	265
Hanover	645	655	Homestead *		115	Hamilton	265	275
Harriman	375	390	Mechanics*	130	140	Kings Co.	640	660
Imp & Trad.	495	505	Montauk*	90	105	Manufact'rs		
Irving	189	193	Nassau	200	210	Citizens	145	150
Liberty	815	-----	Nation'l City	265	275	People's*	282	292
Lincoln	330	350	North Side*	170	180	Queens Co.	70	80
			People's*	130	140			

\* Banks marked with a (\*) are State banks. † Sale at auction or at Stock Exchange this week. ‡ New stock. § Ex-rights.

## New York City Realty and Surety Companies

	Bid	Ask		Bid	Ask		Bid	Ask
Alliance R'ty	70	80	LawyersMtg	160	165	Realty Assoc		
Amer Surety	155	165	Mtg Bond----	110	114	(Brooklyn)	95	100
Bond & M G	300	305	Nat Surety----	277	282	U S Casualty	195	210
Casualty Co	-----	-----	N Y Title &			US TitleG&I	55	70
City Invest'g	18	21	Mtge-----	90	96	Wes & Bronx		
Preferred--	60	68				Title & MG	165	175

## Quotations for Sundry Securities

All bond prices are "and interest" except where marked "f".

Standard Oil Stocks				Tobacco Stocks—Per Share			
Par	Bid.	Ask		Par	Bid.	Ask.	
Anglo-Amer Oil new.....	£1	*16 1/4	16 3/4	American Cigar common 100	110	118	
Atlantic Refining.....	100	820	830	Preferred.....	100	98	100
Borne-Serymser Co.....	100	400	410	Amer Machine & Fdry.....	100	80	85
Buckeye Pipe Line Co.....	50	*100	103	British-Amer Tobac ord.....	£1	*18 1/2	20
Chesabrough Mfg new.....	100	460	490	Ordinary, bearer.....	£1	*19	20
Colonial Oil.....	100	50	70	Conley Foll.....	100	300	350
Continental Oil.....	100	525	545	Johnson Tin Foll & Met.....	100	100	150
Crescent Pipe Line Co.....	50	*42	45	MasAndrews & Forbes.....	100	195	205
Cumberland Pipe Line.....	100	91	94	Preferred.....	100	99	101
Eureka Pipe Line Co.....	100	240	245	Porto Rican-Amer Tob.....	100	250	260
Galena-Signal Oil com.....	100	171	175	Reynolds (R J) Tobacco.....	100	590	625
Preferred.....	100	140	145	Preferred.....	100	121	123
Illinois Pipe Line.....	100	199	202	Young (J S) Co.....	100	150	160
Indiana Pipe Line Co.....	50	*103	106	Preferred.....	100	105	110
Internat Petroleum.....	£1	*10 1/2	11				
Nadonal Transit Co.....	12.50	*14 1/4	15 1/2				
New York Transit Co.....	100	205	210				
Northern Pipe Line Co.....	100	104	107				
Ohio Oil Co.....	25	*323	327				
Penn-Mex Fuel Co.....	25	*65	70				
Pierce Oil Corp.....	25	*13 1/4	14				
Prairie Oil & Gas.....	100	452	457				
Prairie Pipe Line.....	100	290	295				
Solar Refining.....	100	375	385				
Southern Pipe Line Co.....	100	210	215				
South Penn Oil.....	100	390	395				
Southwest Pa Pipe Lines.....	100	113	117				
Standard Oil (California) 100	335	338					
Standard Oil (Indiana).....	100	760	765				
Standard Oil (Kansas).....	100	520	550				
Standard Oil (Kentucky) 100	560	590					
Standard Oil (Nebraska) 100	520	540					
Standard Oil of New Jer.....	100	579	582				
Standard Oil of New Yrk 100	228	230					
Standard Oil (Ohio).....	100	410	430				
Swan & Finch.....	100	105	115				
Union Tank Line Co.....	100	89	92				
Vacuum Oil.....	100	293	297				
Washington Oil.....	10	*40	45				

Bonds.		Per cent.	
Par	Bid.	Ask.	
Pierce Oil Corp conv 6s-1924	82	84	

Ordinance Stocks—Per Share			
Par	Bid.		
Aetna Explosives pref.....	100	58	62
Amer & British Mfg.....	100	8	10
Preferred.....	100	10	21
Atlas Powder common.....	100	175	180
Preferred.....	100	98	100
Babcock & Wilcox.....	100	123	125
Bilas (E W) Co common.....	50	*710	750
Preferred.....	50	*75	85
Canada Fdys & Forgings 100	185	195	
Preferred.....	100	90	100
Canadian Car & Fdry.....	100	30	40
Preferred.....	100	60	70
Canadian Explosives com 100	380	460	
Preferred.....	100	100	110
Carbon Steel common.....	100	90	93
1st preferred.....	100	88	92
2d preferred.....	100	65	70
Colt's Patent Fire Arms	100	850	870
Mfg.....	100	95	100
Crocker-Wheeler Co com 100	285	290	
duPont (E I) de Nemours	100	103	107
& Co, common.....	100	420	430
Debenture stock.....	100	420	430
Electric Boat.....	100	330	340
Preferred.....	100	116	120
Hercules Powder com.....	100	18	24
Preferred.....	100	45	60
Hopkins & Allen Arms.....	100	20	25
Preferred.....	100	103 1/2	11 1/2
International Arms.....	25	*66 1/2	66 3/4
Lake Torpedo Boat com.....	10	182	185
Midvale Steel & Ordnance 50	103	105	
Niles-Bement-Pond com.....	100	645	655
Preferred.....	100	42	43
Seovill Mfg.....	100	1200	1350
Submarine Boat..... (no par.)	---	---	---
Winchester Repeat Arms 100	---	---	---

RR. Equipments—Per Ct.		Basis.	
Bid.	Ask.	Bid.	Ask.
Baltimore & Ohio 4 1/2s.....	4.40	4.25	
Buff Roch & Pittsburgh 4 1/2s	4.40	4.25	
Equipment 4s.....	4.40	4.25	
Canadian Pacific 4 1/2s.....	4.55	4.37	
Caro Clinch & Ohio 5s.....	4.75	4.40	
Central of Georgia 5s.....	4.25	4.00	
Equipment 4 1/2s.....	4.70	4.45	
Chicago & Alton 4s.....	5.60	5.00	
Chicago & Eastern Ill 5 1/2s.....	5.55	5.00	
Equipment 4 1/2s.....	5.55	5.00	
Chic Ind & Louisv 4 1/2s.....	4.80	4.50	
Chic St L & N O 5s.....	4.80	4.50	
Chicago & N W 4 1/2s.....	4.35	4.15	
Chicago R I & Pac 4 1/2s.....	5.25	5.00	
Colorado & Southern 5s.....	4.80	4.50	
Erie 5s.....	4.60	4.40	
Equipment 4 1/2s.....	4.60	4.40	
Equipment 4s.....	4.60	4.40	
Hocking Valley 4s.....	4.55	4.30	
Equipment 5s.....	4.55	4.30	
Illinois Central 5s.....	4.37	4.20	
Equipment 4 1/2s.....	4.37	4.20	
Kanawha & Michigan 4 1/2s.....	4.65	4.45	
Louisville & Nashville 5s.....	4.37	4.20	
Minn St P & S S M 4 1/2s.....	4.55	4.35	
Missouri Kansas & Texas 5s.....	5.60	5.00	
Missouri Pacific 5s.....	5.60	5.00	
Mobile & Ohio 5s.....	4.65	4.45	
Equipment 4 1/2s.....	4.65	4.45	
New York Central Lines 5s.....	4.50	4.35	
	4.50	4.35	
N Y Ontario & West 4 1/2s.....	4.50	4.35	
Norfolk & Western 4 1/2s.....	4.37	4.20	
Equipment 4s.....	4.37	4.20	
Pennsylvania RR 4 1/2s.....	4.35	4.15	
Equipment 4s.....	4.35	4.15	
St Louis Iron Mt & Sou 5s.....	5.60	5.00	
St Louis & San Francisco 5s.....	5.60	5.00	
Seaboard Air Line 5s.....	4.70	4.45	
Equipment 4 1/2s.....	4.70	4.45	
Southern Pacific Co 4 1/2s.....	4.37	4.20	
Southern Railway 4 1/2s.....	4.70	4.45	
Toledo & Ohio Central 4s.....	5.00	4.55	

Short Term Notes. Per Cent.		
Par	Bid.	
Am Cot Oil 5s 1917..... M&N	100 1/2	101 1/8
Amer Locom 5s, July '17 J-J	100	100 1/2
Am T & T 4 1/2s 1918.....	100 1/2	100 3/4
Anaconda Copper 5s '17 M-S	100 1/2	100 3/4
Canadian Pac 6s 1924. M&S2	102 7/8	103 1/8
Chic & West Ind 5s '17 M&S	99 7/8	100 1/8
Erie RR 5 1/2s 1917..... A-O	100 3/4	101
General Rubber 5s 1918 J&D	100 3/4	100 7/8
Hocking Valley 5s 1917. M-N	100 1/2	101 1/8
Int Harv 5s Feb 15 '18. F-A	101 3/4	101 3/4
K C Rys 5 1/2s 1918..... J&J	100 3/4	101
Morgan & Wright 5s Dec. 1.18	100 3/4	100 1/4
New Eng Nav 6s 1917. M-N	100 3/4	101 1/8
N Y N H & H 4 1/2s May 1917	100 3/4	100 1/2
Penn Co 4 1/2s 1921..... J&D15	100 3/4	100 3/4
Pub Ser Corp N J 5s '19 M&S	100 3/4	100 3/8
Rem Ams U. M. C. 5s '19 F&A	87 1/2	88
Southern Ry 5s 1917..... M-S2	100 1/2	100 1/4
United Fruit 5s 1918..... M-N	101	101 1/4
Utah Secur Corp 6s '22 M-S15	96	96 1/2
Winches Rep Arms 5s '18 M&S	98 5/8	99
New York City Notes—		
6s Sept 1 1917.....	102	102 1/4
Canadian Govt. Notes—		
5s Aug 1 1917..... F&A	100 1/2	100 3/4

Public Utilities—			
Par	Bid.		
Am Gas & Elec com.....	50	*152	155
Preferred.....	50	*50	51
Am Lt & Trac common.....	100	370	375
Preferred.....	100	109	111
Amer Power & Lt com.....	100	69	70
Preferred.....	100	82	85
Amer Public Utilities com 100	41	43	
Preferred.....	100	71	74
Cities Service Co com.....	100	330	334
Preferred.....	100	93	93 1/2
Com'w'lt' Pow Ry & L.....	100	62	63 1/2
Preferred.....	100	84	86
Dayton Pow & Lt pref.....	100	94	96
Elec Bond & Share pref.....	100	101	103
Federal Light & Traction 100	14	16	
Preferred.....	100	50	54
Great West Pow 5s 1946. J&J	89 1/2	90 1/2	
Indiana Lighting Co.....	100	85	---
4s 1958..... F-A	80	81	---
North'n States Pow com.....	100	96	98
Preferred.....	100	98	99
1st & ref 5s 1941..... A&O	95 1/2	97	
Pacific Gas & Elec com.....	100	56	57
1st preferred.....	100	90	92
Republic Ry & Light.....	100	52	53
Preferred.....	100	276	76 1/2
South Calif Edison com.....	100	91	93
Preferred.....	100	106	109
Southwest Pow & L pref. 100	97 1/2	100	
Standard Gas & El (Del).....	50	*14 1/2	16
Preferred.....	50	*41	42 1/2
Tennessee Ry L & P com 100	11 1/2	12 1/2	
Preferred.....	100	52 1/2	54
United Gas & Elec Corp. 100	14	17	
1st preferred.....	100	271	75
2d preferred.....	100	15	18
United Lt & Rys com.....	100	48	50
1st preferred.....	100	76	77
Western Power common. 100	19	20	
Preferred.....	100	69	70

Industrial and Miscellaneous			
Par	Bid.		
American Brass.....	100	330	335
American Chiclet com.....	100	79	82
Preferred.....	100	84	88
Am Graphophone com.....	100	183	185
Preferred.....	100	178	180
American Hardware.....	100	137	140
Amer Typefounders com.....	100	40	44
Preferred.....	100	94	98
Borden's Cond Milk com.....	100 3/4	111 1/2	
Preferred.....	100	107	109
Celuloid Company.....	100	188	195
Havana Tobacco Co.....	100	2 1/4	3
Preferred.....	100	6	6 1/2
1st g 5s June 1 1922..... J-D	750	58	
Intercontinent Rub com.....	100	14	15
Internat Banking Co.....	100	160	---
International Salt.....	100	41	43
1st g 5s 1951..... A-O	775	78	
International Silver pref. 100	107	110	
Lehigh Valley Coal Sales.....	50	*89	93
Otis Elevator com.....	100	68	70
Preferred.....	100	94	96
Remington Typewriter—			
Common.....	100	17	18
1st preferred.....	100	84	88
2d preferred.....	100	49	52
Royal Baking Powd com.....	100	155	160
Preferred.....	100	102	104



## Investment and Railroad Intelligence.

## RAILROAD GROSS EARNINGS.

The following table shows the gross earnings of every STEAM railroad from which regular weekly or monthly returns can be obtained. The first two columns of figures give the gross earnings for the latest week or month, and the last two columns the earnings for the period from July 1 to and including the latest week or month. We add a supplementary statement to show the fiscal year totals of those roads whose fiscal year does not begin with July, but covers some other period. The returns of the electric railways are brought together separately on a subsequent page.

ROADS.	Latest Gross Earnings.			July 1 to Latest Date.	
	Week or Month.	Current Year.	Previous Year.	Current Year.	Previous Year.
Ala N O & Tex Pac		\$	\$	\$	\$
N O & Nor East.	September	342,014	291,829	991,434	878,626
Ala & Vicksburg.	September	141,278	135,784	432,039	387,328
Vicks Shurev & P.	September	152,350	139,191	427,637	379,197
Ann Arbor	4th wk Sep	77,845	57,609	733,658	590,225
Atch Topeka & S Fe	August	1323,886	1090,437	24,943,683	21,326,718
Atlanta Birm & Atl	4th wk Sept	97,413	82,912	813,843	715,750
Atlanta & West Pt.	August	114,706	101,268	220,447	198,053
Atlantic Coast Line	August	2,605,923	2,017,173	5,213,103	4,194,560
Charleston & W Car	August	135,069	120,169	263,238	236,762
Lou Hend & St L	August	150,741	126,720	287,124	237,748
Baltimore & Ohio	August	1,550,229	934,857	20,704,142	18,019,610
B & O Ch Ter RR	August	159,008	134,559	306,775	262,765
Bangor & Aroostook	August	257,396	241,342	468,448	467,637
Bessemer & L Erie	August	1,372,459	1,268,925	2,665,417	2,534,732
Birmingham South	August	96,685	68,971	184,560	137,471
Boston & Maine	August	5,170,366	4,305,024	9,890,161	8,404,260
Buff Roch & Pittsb	1st wk Oct	271,415	254,429	3,825,046	3,225,887
Buffalo & Susq RR	August	150,921	121,459	293,209	237,614
Canadian Nor Syst.	1st wk Oct	857,400	847,500	11,564,400	7,549,800
Canadian Pacific	1st wk Oct	2,965,000	2,915,000	40,329,908	29,696,827
Central of Georgia	August	1,115,233	899,097	2,234,462	1,887,821
Cent of New Jersey	August	2,995,446	2,816,962	5,971,352	5,425,020
Cent New England	August	515,848	358,211	1,901,894	722,352
Central Vermont	August	401,618	341,210	763,170	681,812
Ches & Ohio Lines	1st wk Oct	818,554	804,384	13,179,134	12,467,335
Chicago & Alton	August	1,628,690	1,375,058	3,114,124	2,563,416
Chic Burt & Quincy	August	102,636	81,475	1,304,703	1,521,650
Chicago & East Ill	August	1,486,641	1,300,419	2,778,677	2,461,205
Chic Great West.	1st wk Oct	325,400	299,547	4,493,113	3,913,542
Chic Ind & Louisv.	4th wk Sept	208,892	200,327	2,177,890	1,878,001
Chic Milw & St P.	August	1,002,119	828,517	19,257,582	16,504,458
Chic Mil & Pug S					
Chic & North West	August	9,614,358	7,983,359	17,837,721	15,202,047
Chic Peoria & St L	August	157,353	143,810	305,648	271,223
Chic Rock Isl & Pac	August	7,230,707	6,137,637	13,612,092	11,576,064
Chic R I & Gulf	August	330,002	248,720	602,597	477,281
Chic St P M & Om	August	1,796,115	1,498,741	3,444,075	2,932,074
Chic Terre H & S E	August	247,430	177,854	458,349	341,124
Cin Ham & Dayton	August	1,044,531	994,086	1,978,422	1,914,837
Colorado Midland	August	189,178	137,181	316,820	259,098
Colorado & South.	4th wk Sept	445,389	436,740	4,077,851	3,685,114
Cornwall	August	23,685	10,329	46,687	21,438
Cornwall & Lebanon	August	43,715	34,673	100,961	75,301
Cuba Railroad	August	558,327	416,634	1,129,818	836,724
Delaware & Hudson	August	2,351,162	2,131,303	4,641,473	4,175,452
Delaw Lack & West	August	4,349,331	3,758,762	8,857,135	7,145,833
Deny & Rio Grande	1st wk Oct	564,600	548,400	7,418,719	7,225,710
Western Pacific	August	806,657	722,592	1,579,759	1,425,043
Denver & Salt Lake	4th wk Sept	61,500	61,261	565,823	535,317
Detroit Tol & Iron	August	212,478	164,129	398,683	297,232
Detroit & Mackinac	1st wk Oct	21,905	18,879	349,866	290,845
Det & Tol Shore L.	August	130,147	109,427	247,592	207,132
Dul & Iron Range	August	978,030	917,989	2,013,159	1,781,388
Dul Missabe & Nor	August	2,083,452	1,553,656	3,981,622	2,998,735
Dul Sou Shore & Atl	4th wk Sept	107,847	95,422	1,045,469	940,133
Duluth Winn & Pac	August	143,147	103,777	273,591	223,078
Elgin Joliet & East.	August	1,169,411	993,467	2,282,477	1,875,934
El Paso & Sou West	August	1,188,357	813,928	2,228,440	1,562,770
Erie	August	6,697,727	5,945,765	13,003,941	11,618,893
Florida East Coast.	August	587,636	345,453	1,094,540	708,240
Fonda Johns & Glov	August	92,813	80,347	189,951	166,220
Georgia Railroad	August	277,888	219,188	558,876	424,965
Grand Trunk Pac	3d wk Sept	82,648	107,958	976,309	793,938
Grand Trunk Syst.	4th wk Sept	1,796,466	1,416,933	16,704,563	13,688,868
Grand Trunk Ry	2d wk Sept	1,000,464	832,429	10,844,168	8,975,318
Grand Trk West.	2d wk Sept	187,992	151,995	2,041,253	1,609,072
Det Gr H & Milw	2d wk Sept	65,127	60,348	711,350	635,389
Great North System	September	7,964,409	7,862,036	23,597,689	19,882,788
Gulf & Ship Island	August	178,912	145,841	335,090	285,862
Hocking Valley	August	815,692	650,074	1,596,257	1,193,210
Illinois Central	September	6,280,876	5,756,583	18,617,476	16,165,252
Internat & Grt Nor	August	859,097	598,049	1,714,069	1,257,748
Kansas City South	August	938,003	807,407	1,885,584	1,638,763
Lehigh & Hud Riv	August	208,521	161,397	410,464	315,492
Lehigh & New Eng.	August	242,622	270,009	460,397	590,011
Lehigh Valley	August	4,435,645	3,779,598	8,743,143	7,513,360
Los Angeles & S L	August	992,725	958,193	2,017,043	1,841,655
Louisiana & Arkans	August	134,297	132,462	271,441	269,351
Louisiana Ry & Nav	August	186,368	182,751	350,012	351,990
Louisville & Nashv	4th wk Sept	1,717,960	1,462,486	16,109,513	13,976,550
Maine Central	August	1,185,226	1,050,517	2,269,763	2,047,481
Maryland & Penna.	August	42,191	40,525	76,758	77,007
Midland Valley	August	179,189	145,706	359,225	270,973
Mineral Range	4th wk Sept	29,085	29,174	284,313	271,455
Minneapolis & St Louis	1st wk Oct	225,398	220,022	3,027,600	2,858,719
Minn St P & S S M	1st wk Oct	676,890	822,434	9,935,327	8,786,591
Mississippi Central	August	78,767	59,637	147,332	123,720
Mo Kan & Texas	1st wk Oct	809,677	607,050	10,451,613	8,404,495
Missouri Pacific	August	6,324,428	5,111,359	11,895,102	9,874,658
Nashv Chatt & St L	August	1,212,040	945,763	2,266,307	1,888,063
New York Central	August	180,781	153,176	35,205,325	28,479,528
Boston & Albany	August	1,879,706	1,525,749	3,714,331	3,061,047
nLake Erie & W.	August	660,598	575,173	1,305,004	1,064,551
Michigan Central	August	4,072,693	3,243,728	7,930,664	6,293,270
Cleve C O & St L	August	4,251,508	3,563,590	8,092,726	6,727,048
Cincinnati North.	August	189,288	149,892	351,037	288,910
Pitts & Lake Erie	August	2,203,467	1,823,899	4,268,422	3,479,332
Tol & Ohio Cent.	August	617,993	418,381	1,210,749	821,348
Kanawha & Mich	August	337,065	290,761	620,706	568,306
Tot all lines above	August	32,290,439	26,122,929	62,698,966	50,783,343
Nevada-Cal-Oregra	4th wk Sep	13,969	14,976	127,227	124,973
New Or Great Nor.	August	170,182	148,729	321,013	289,690
N O Mobile & Chic	August	184,102	143,208	329,806	282,804
N Y Chic & St Louis	August	1,302,569	1,053,086	2,586,498	2,017,875
N Y N H & Hartf.	August	7,149,732	6,261,053	14,117,077	12,511,713
N Y Ont & Western	August	959,811	912,039	1,957,551	1,873,602
N Y Susq & West.	August	304,100	317,750	602,244	635,540
Norfolk Southern	August	411,977	345,465	838,022	677,910
Norfolk & Western.	August	5,343,013	4,729,491	10,188,134	9,196,836
Northern Pacific	August	7,941,093	6,076,329	13,773,289	11,426,113
Northwestern Pac.	August	506,676	456,831	1,033,868	919,333
Pacific Coast Co.	June	520,569	597,220	7,212,557	6,284,493
p Pennsylvania RR	August	20,664,931	17,674,765	40,304,730	34,430,410
Balt Ches & Atl	August	172,930	153,448	332,527	307,208
Cumberland Vail	August	311,410	276,764	579,055	521,351
Long Island	August	1,636,940	1,472,452	3,287,576	3,025,805
Mary'd Del & Va	August	117,130	114,236	222,256	220,356
N Y Phila & Norfolk	August	437,847	381,230	999,822	862,694
Phil Balt & Wash	August	2,205,431	1,927,926	4,488,029	3,825,613
W Jersey & Seash	August	1,117,660	1,018,421	2,102,866	1,913,526
Pennsylvania Co.	August	7,336,986	5,779,671	14,197,061	11,419,695
Grand Rap & Ind	August	585,143	503,769	1,085,307	958,726
Pitts C O & St L	August	4,505,554	3,748,741	8,745,308	7,138,930
Vandalia	August	1,168,991	980,609	2,233,758	1,901,864
Total lines—					
East Pitts & Erie	August	27,008,400	23,397,742	53,076,373	45,740,382
West Pitts & Erie	August	13,761,828	11,529,943	26,578,014	21,697,425
All East & West.	August	40,770,228	34,927,685	79,654,387	67,437,807
Pere Marquette.	4th wk Sept	631,505	544,364	5,773,424	4,935,606
Reading Co.					
Phila & Reading	August	5,121,384	4,230,252	9,895,594	8,313,450
Coal & Iron Co.	August	2,948,567	1,973,932	5,627,978	3,791,212
Total both cos.	August	8,069,951	6,204,184	15,523,572	12,104,662
Rich Fred & Potom	August	283,136	211,727	608,959	464,653
Rio Grande June	July	86,129	76,558	86,219	76,558
Rio Grande South.	4th wk Sept	14,295	14,400	141,036	142,754
Rutland	August	353,180	327,197	693,515	649,955



**Latest Gross Earnings by Weeks.**—For the fourth week of September our final statement covers 35 roads and shows 11.27% increase in the aggregate over the same week last year.

Fourth week of September.	1916.	1915	Increase.	Decrease.
Previously reported* (25 roads)	\$ 16,478,827	\$ 14,658,083	\$ 1,827,103	\$ 6,359
Ann Arbor	77,845	57,609	20,235	
Atlanta Birmingham & Atlantic	97,413	82,912	14,501	
Denver & Salt Lake	61,500	61,261	239	
Duluth South Shore & Atlantic	107,847	95,422	12,425	
Louisville & Nashville	1,779,960	1,462,486	255,474	
Mineral Range	29,085	29,174		89
Minneapolis St Paul & S S M.	908,281	965,868		57,587
Nevada-California-Oregon	13,969	14,976		1,007
Rio Grande Southern	14,295	14,490		195
Tennessee Alabama & Georgia	2,939	1,742	1,197	
Total (35 roads)	19,509,961	17,444,023	2,131,175	65,237
Net increase (11.27%)			2,065,938	

**Net Earnings Monthly to Latest Dates.**—The table following shows the gross and net earnings with charges and surplus of STEAM railroads and industrial companies reported this week:

Roads.	—Gross Earnings—		—Net Earnings—			
	Current Year.	Previous Year.	Current Year.	Previous Year.		
	\$	\$	\$	\$		
Boston & Maine a.....Aug	5,170,366	4,305,024	1,703,943	1,270,930		
July 1 to Aug 31.....	9,890,161	8,404,260	3,125,501	2,351,363		
Chic Burl & Quincy b.....Aug	10,216,369	8,147,525	4,494,492	3,029,139		
July 1 to Aug 31.....	18,494,705	15,521,650	7,399,825	5,312,826		
Chic Ind & Louisv b.....Aug	765,069	631,045	301,995	224,047		
July 1 to Aug 31.....	1,445,622	1,199,184	546,002	393,885		
Denver & Rio Grande—						
Western Pacific b.....Aug	806,657	722,592	338,869	286,306		
July 1 to Aug 31.....	1,579,759	1,425,943	680,677	567,533		
Grand Trunk of Canada—						
Grand Trunk Ry.....Aug	4,620,985	3,645,982	1,487,446	1,210,299		
Jan 1 to Aug 31.....	29,864,248	25,751,237	8,425,343	7,335,491		
Grand Trunk West.....Aug	838,985	672,064	217,532	193,200		
Jan 1 to Aug 31.....	6,264,402	4,784,254	1,623,461	412,679		
Det Gr Hav & Milw.....Aug	290,043	267,657	36,012	69,590		
Jan 1 to Aug 31.....	2,209,044	1,718,989	192,956	32,606		
Great Northern b.....Aug	8,014,033	6,162,626	3,899,134	3,007,939		
July 1 to Aug 31.....	15,633,279	12,020,751	7,452,504	5,743,294		
	Gross Earnings.	30% of Gross Earnings.	Fixed Charges.	Balance, Surplus.		
	\$	\$	\$	\$		
Rio Grande Junc.....July '16	86,129	25,838	8,333	17,505		
	'15 76,558	22,967	8,333	14,634		
8 mos '16	610,054	183,016	66,667	116,349		
	'15 539,333	161,800	66,667	95,133		
	Gross Earnings.	Net Earnings.	Other Income.	Total Income.	Charges & Taxes.	Balance, Surplus.
	\$	\$	\$	\$	\$	\$
Bangor & Aroostook—						
Aug '16	257,396	71,738	32,457	104,195	116,836	def12,641
'15	241,342	56,270	16,117	72,387	115,505	def43,118
2 mos '16	468,448	94,881	64,333	159,214	232,932	def73,718
'15	467,637	96,661	38,990	135,651	231,403	def95,752
Toledo Peoria & Western—						
Sept '16	104,357	17,566	13,000	30,566	26,759	3,807
'15	111,951	26,252	2,418	28,670	30,516	def1,846
9 mos '16	305,041	42,058	37,882	79,940	80,386	def446
'15	314,595	44,955	7,989	52,944	81,652	def28,708

## INDUSTRIAL COMPANIES.

	Gross Earnings.	Net, after Taxes.	Fixed Charges.	Balance, Surplus.
St L Rocky Mt & P Aug '16	225,041	64,398	21,358	43,040
'15	242,055	65,373	23,630	41,743
2 mos '16	429,096	121,217	42,800	78,417
'15	471,657	126,435	52,984	73,451

## EXPRESS COMPANIES.

	Month of June 1916.	1915.	July 1 to 1915-16.	June 30-1914-15.
Adams Express Co.—				
Total from transportation	3,879,935	3,188,138	42,400,410	34,631,485
Express privileges—Dr	1,952,237	1,496,811	20,886,133	17,167,040

Revenue from transport'n.	1,927,698	1,691,327	21,514,277	17,464,444
Operations other than trans.	52,736	49,495	583,009	508,497

Total operating revenues.	1,980,434	1,740,822	22,097,286	17,972,942
Operating expenses	1,960,004	1,529,943	19,918,779	18,088,934

Net operating revenue	20,430	210,878	2,178,506	def115,992
Uncollectible rev. from trans	926	516	7,113	6,074
Express taxes	34,938	12,407	243,832	194,930

Operating income	loss15,434	197,954	1,927,561	loss316,997
Month of June 1916. 1915. July 1 to 1915-16. June 30-1914-15.				

Wells, Fargo & Co.—				
Total from transportation	4,060,271	3,588,923	45,434,664	38,555,664
Express privileges—Dr	2,076,277	1,832,468	23,414,248	19,724,414

Revenue from transport'n.	1,983,994	1,756,455	22,020,416	18,831,249
Operations other than trans.	97,679	73,667	1,134,902	734,633

Total operating revenues.	2,081,674	1,830,122	23,155,318	19,565,882
Operating expenses	1,824,734	1,555,857	19,847,687	17,860,839

Net operating revenue	256,939	274,264	3,307,631	1,705,043
Uncollectible rev. from trans.	1,784	1,320	14,043	10,877
Express taxes	47,536	30,714	413,720	413,293

Operating income	207,618	242,229	2,879,867	1,280,872
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## ELECTRIC RAILWAY AND PUBLIC UTILITY COS.

Name of Road or Company.	Latest Gross Earnings.		Jan. 1 to latest date.	
	Week or Month.	Current Year.	Previous Year.	Current Year.
Atlantic Shore Ry	August	\$ 53,861	\$ 51,883	\$ 244,543
cAur Elgin & Chic Ry	August	198,215	189,975	1,354,077
Bangor Ry & Electric	August	74,805	73,221	530,942
Baton Rouge Elec Co	August	17,352	15,284	137,013
Belt L Ry Corp (NYC)	July	62,913	64,541	464,077
Berkshire Street Ry	August	190,762	91,619	658,816
Brazilian Trac, L & P	August	718,400	657,600	5,432,900
Brock & Plym St Ry	August	15,934	14,395	82,857

Name of Road or Company.	Week or Month.	Latest Gross Earnings.		Jan. 1 to latest date.	
		Current Year.	Previous Year.	Current Year.	Previous Year.
Bklyn Rap Tran Syst	July	\$ 2715,702	\$ 2624,427	\$ 16,859,553	\$ 15,719,829
Cape Breton Elec Co	August	35,264	33,226	248,206	220,143
Chattanooga Ry & Lt	August	100,238	91,213	807,248	690,446
Cities Service Co.	August	628,823	312,737	5,366,168	2,696,021
Cent Miss V El Prop.	August	24,196	23,196	192,518	181,657
Cleve Painesv & East	August	46,303	45,047	307,896	281,139
Cleve Southw & Col.	August	121,633	114,658	876,687	810,839
Columbia Gas & Elec	August	584,587	515,175	5,901,896	5,349,410
Columbus (Ga) El Co	August	74,428	56,000	547,505	454,658
Colum (O) Ry, P & L	August	290,082	242,299	2,286,563	1,997,266
g Com w'th P, Ry & L	August	1358,867	1181,948	10,826,381	9,202,661
Connecticut Co.	August	910,430	796,221	6,334,487	5,371,137
Consum Pow (Mich)	August	367,353	307,374	2,989,546	2,433,443
Cumb Co (Me) P & L	August	306,679	285,383	1,861,410	1,722,693
Dallas Electric Corp.	August	149,870	147,944	1,240,152	1,165,445
Dayton Pow & Light	August	123,924	80,49	1,011,016	668,777
g Detroit Edison	August	718,328	548,564	6,274,255	4,825,895
Detroit United Lines	August	1446,175	1228,043	10,422,431	8,510,613
D D E B & Batt (Rec)	July	41,597	40,508	288,968	278,924
Duluth-Superior Trac	August	126,820	98,056	904,063	750,318
East St Louis & Sub.	August	251,981	205,25	1,920,131	1,579,845
Eastern Texas Elec.	August	71,088	55,065	532,463	441,652
g El Paso Electric Co.	August	84,157	75,111	696,236	623,761
42d St M & St N Ave	July	164,707	162,751	1,144,182	1,123,408
Galv-Hous Elec Co.	August	168,724	135,757	1,266,593	1,267,478
g Georgia Ry & Pow.	August	570,226	498,869	4,548,869	4,170,522
Grand Rapids Ry Co	August	106,497	101,207	860,184	767,524
Great West Pow Syst	August	306,595	244,582	2,425,732	1,887,722
Harrisburg Railways	July	57,321	79,422	603,955	535,875
Havana El Ry L & P	August	513,376	465,554	3,665,433	3,065,433
Honolulu RT & Land	July	54,064	49,531	375,077	337,549
Houghton Co Tr Co.	August	29,459	25,511	217,845	180,505
Hudson & Manhat.	August	445,556	427,195	3,855,865	3,623,732
Illinois Traction	August	962,672	884,788	7,767,213	7,038,273
Interboro Rap Tran	July	2650,996	2448,788	21,709,489	19,611,827
Jacksonville Trac Co	August	49,422	47,613	416,723	419,417
Keokuk Electric	August	19,795	19,170	157,720	150,873
Key West Electric	August	10,161	9,000	76,351	74,392
Lake Shore Elec Ry.	August	167,567	144,479	1,054,483	906,050
Lehigh Valley Transit	August	229,705	198,669	1,626,386	1,316,495
Lewist Aug & Waterv	August	87,115	79,339	527,668	485,631
Long Island Electric	July	99,348	32,437	139,149	145,004
Louisville Railway	August	250,857	238,733	2,031,105	1,940,703
Milw El Ry & Lt Co	August	541,149	455,234	4,515,732	3,838,676
Milw Lt, H & Tr Co	August	177,507	147,935	1,190,524	967,322
Monongahela Vall Tr	September	123,673	87,8	2,100,121	707,752
Nashville Ry & Light	August	199,574	166,487	1,553,246	1,380,400
NewpN & H Ry, G & E	August	100,877	93,465	678,627	592,176
N Y City Interboro	July	54,178	58,814	422,732	399,696
N Y & Long Island	July	41,041	44,552	234,703	244,740
N Y & North Shore	July	15,447	16,251	92,849	93,199
N Y & Queens Co	July	139,789	134,381	845,879	789,375
New York Railways	July	1163,783	1127,093	7,932,431	7,715,398
N Y & Stamford Ry	August	40,814	46,258	253,996	257,316
N Y State Railways	July	713,037	614,755	4,832,292	4,163,993
N Y Westches & Bos	August	46,028	40,621	352,290	307,993
Northampton Trac.	August	16,296	17,119	132,248	116,290
Nor Old Trac & Lt.	August	473,434	360,055	3,334,077	2,488,442
North Texas Electric	August	155,378	147,066	1,217,498	1,086,328
Ocean Electric (L I)	July	32,200	32,176	82,358	81,903
Pacific Gas & Elec.	August	1462,480	1478,867	12,228,210	12,165,072
Pac Lt & Pow Corp.	August	291,131	263,833	2,140,493	1,906,859
g Paducah Tr & Lt Co	August	26,158	23,551	204,121	186,003
Pensacola Electric Co	August	24,399	22,075	186,745	166,191
Phila Rapid Translt.	August	2149,836	1897,763	17,787,133	15,736,149
Phia & Western Ry.	August	44,524	41,267	332,632	296,673
Port (Ore) Ry, L & P Co	August	447,502	460,861	3,577,607	3,665,162
g Puget Sd Tr, L & P	July	663,746	664,564	4,508,691	4,358,631
g Republic Ry & Lt.	August	335,579	260,792	2,596,205	1,968,619
Rhode Island Co.	August	587,475	511,492	3,885,262	3,279,760
Richmond Lt & RR	July	49,237	48,331	234,244	223,861
St Jos Ry, L, H & P.	August	109,840	104,194	888,343	828,320
Santiago Elec Lt & Tr	June	44,646	38,860	266,491	228,236
Savannah Electric Co	August	69,892	65,768	528,491	526,884
Second Avenue (Rec)	July	90,413	85,231	502,310	494,547
Southern Boulevard	July	16,415	21,542	128,046	130,608
Southern Cal Edison	August	408,349	429,560	3,288,370	3,147,638
Staten Isl'd Midland	July	44,221	48,102	190,782	190,005
Tampa Electric Co.	August	74,194	78,924	633,119	648,023
Third Avenue	July	325,619	329,224	2,406,765	2,220,460
Twin City Rap Tran.	4th wk Sept	249,083	228,707	2,584,795	2,006,096
Union Ry Co of NYC	July	249,094	272,043	1,704,818	1,602,935
Virginia Ry & Power	August	488,698	462,699	3,845,295	3,368,472
Wash Balt & Annap.	July	79,977	71,966	499,789	464,026



	Gross Earnings.	Net, after Taxes.	Fixed Charges.	Balance, Surplus.
	\$	\$	\$	\$
Consumers Power (Mich)—				
Aug '16	367,353	174,656	74,511	100,145
'15	307,374	173,858	71,495	102,363
8 mos '16	2,989,546	1,673,273	599,722	1,073,551
'15	2,433,443	1,456,721	574,991	881,730
Cumberland Co (Me) P & L—				
Aug '16	306,679	139,642	69,178	70,464
'15	285,383	144,984	65,003	79,981
8 mos '16	1,869,410	722,815	535,832	186,983
'15	1,722,693	749,994	529,604	220,390
East St Louis & Sub.—Aug '16	251,981	101,536	62,886	38,650
'15	205,259	83,720	62,421	21,299
8 mos '16	1,920,131	765,562	500,794	264,768
'15	1,579,845	622,804	504,701	118,103
Grand Rapids Ry.—Aug '16	106,497	32,520	16,838	15,682
'15	101,207	28,071	13,966	14,105
8 mos '16	860,184	304,563	120,018	184,545
'15	767,524	215,061	110,426	104,635
Huntington Devel & Gas—				
3 mos to Aug 31 '16	107,717	60,699	40,805	19,894
Lewiston Augusta & Waterville—				
Aug '16	87,115	33,935	15,075	18,860
'15	79,359	35,944	15,962	19,982
8 mos '16	527,668	173,231	126,825	46,406
'15	485,631	174,406	126,033	48,373
Milw Elec Ry & Lt.—Aug '16	541,149	125,071	63,615	269,185
'15	465,234	120,136	67,399	255,705
8 mos '16	4,515,782	1,217,695	529,041	2,733,177
'15	3,838,676	1,008,236	542,324	2,484,435
Milw Light Heat & Traction—				
Aug '16	177,507	55,514	57,026	243,601
'15	147,035	53,304	56,128	242,262
8 mos '16	1,190,524	351,901	455,304	257,223
'15	967,322	301,837	449,292	212,974
Keystone Telep.—Sept '16	124,129	60,927	27,453	33,474
'15	114,993	58,204	26,907	31,297
9 mos '16	1,087,344	537,887	247,076	290,811
'15	1,014,147	510,166	239,380	270,786
Nashville Ry & Light—				
Aug '16	199,574	76,838	42,236	34,602
'15	166,467	57,931	43,140	14,791
8 mos '16	1,553,246	599,543	341,168	258,375
'15	1,380,400	531,284	338,071	193,213
Pacific Gas & Elect.—Aug '16	1,462,480	549,837	337,199	244,559
'15	1,478,867	580,563	340,579	217,181
8 mos '16	12,228,210	5,071,855	2,703,997	2,676,023
'15	12,165,072	5,187,264	2,783,183	2,638,574
Portland (Ore) Ry Light & Pow—				
Aug '16	447,502	192,160	181,701	10,459
'15	460,861	203,278	186,507	16,771
8 mos '16	3,577,697	1,532,308	1,452,967	79,341
'15	3,665,162	1,613,428	1,476,234	137,194
Tennessee Pow Co.—Aug '16	161,372	77,769	39,217	245,498
'15	85,384	37,334	39,832	227,892
8 mos '16	1,021,470	512,955	297,358	227,040
	Gross Earnings.	Net Earnings.	Fixed Chgs. & Taxes.	Balance, Surplus.
Lehigh Vall Trans.—Aug '16	229,705	102,063	58,671	253,692
'15	198,669	97,855	61,092	247,832
8 mos '16	1,626,386	691,556	467,956	230,842
'15	1,316,495	594,241	496,587	218,848
Monongahela Val Traction—				
Sept '16	123,673	73,764	33,228	40,536
'15	87,812	55,436	27,931	27,505
9 mos '16	1,100,121	657,724	291,592	366,132
'15	708,792	423,092	235,958	187,134
Western Union Tel Aug '16	5,495,992	1,839,625	-----	1,699,625
'15	4,401,886	1,428,006	-----	1,304,642
8 mos '16	39,032,417	11,950,216	-----	10,854,881
'15	32,479,019	9,758,048	-----	8,773,816

a Net earnings here given are after deducting taxes.  
b Net earnings here given are before deducting taxes.  
z After allowing for other income received.

## ANNUAL REPORTS

**Annual Reports.**—An index to annual reports of steam railroads, street railways and miscellaneous companies which have been published during the preceding month will be given on the last Saturday of each month. This index will not include reports in the issue of the "Chronicle" in which it is published. The latest index will be found in the issue of Sept. 30. The next will appear in that of Oct. 28.

### Louisville & Nashville Railroad.

(65th Annual Report—Year ending June 30 1916.)

On subsequent pages will be found the marks of President Milton H. Smith and Chairman Henry Walters, in addition to the comparative income account and balance sheet.

The comparative income account and general statistics were published in the "Chronicle" issue of Oct. 7 on page 1298.—V. 103, p. 1301, 1298.

### Southern Railway.

(22d Annual Report—Year ending June 30 1916.)

The remarks of President Fairfax Harrison, together with the detailed comparative balance sheets for two years and the profit and loss account, are published on subsequent pages.

### TRAFFIC STATISTICS.

	1915-16.	1914-15.	1913-14.	1912-13.
Average miles operated.	7,023	7,031	7,033	7,036
x Equipment—				
Locomotives	1,660	1,666	1,663	1,632
Passenger equipment	1,142	1,159	1,114	1,157
Freight equipment	42,694	48,039	47,992	49,512
Road service equipment	1,548	1,438	1,360	1,342
Marine equipment	22	22	22	22
Operations—				
Passengers carried	16,926,891	16,644,097	19,634,498	19,032,397
Passengers carried 1 mile	783,139.707	758,899.016	888,312.962	844,801.198
Av. rev. per pass. p. mile	2.122 cts.	2.131 cts.	2.141 cts.	2.157 cts.
No. tons car. (rev. fr't)	30,272,132	25,896,412	29,650,456	29,449,589
Tons car. 1 m. (rev. fr't)	505,354.796	420,579.203	458,438.858	457,748.801
Av. rev. per ton p. mile	0.930 cts.	0.962 cts.	0.995 cts.	0.982 cts.
Av. rev. tr. load (tons)	354.40	304.60	275.45	259.52
Rev. per pass. tr. mile	\$1.23411	\$1.11471	\$1.18319	\$1.19335
Rev. per fr't train mile	\$3.29751	\$2.93022	\$2.74185	\$2.54811
Operating rev. per mile	\$9.967	\$8.846	\$10.060	\$9.740

x Includes narrow-gauge equipment.

### INCOME ACCOUNT FOR YEARS ENDING JUNE 30.

	1915-16.	1914-15.	1913-14.
Revenues—			
Freight	\$47,020,482	\$49,458,858	\$45,632,207
Passenger	16,615,857	16,175,674	19,016,099
Mail, express and miscellaneous	6,005,718	5,318,359	5,817,107
Joint facility	355,618	246,619	285,584
Total operating revenues	\$69,997,675	\$62,199,510	\$70,750,997
Expenses—			
Maintenance of way and structures	\$8,175,411	\$8,452,119	\$9,283,239
Maintenance of equipment	11,183,701	10,691,267	12,133,829
Traffic expenses	1,904,129	2,110,467	2,244,351
Transportation expenses	22,751,698	22,757,598	25,713,747
General expenses	2,038,702	2,019,621	1,987,879
Miscellaneous operations	404,168	388,229	463,598
Transportation for investment	Cr. 416,694	Cr. 244,590	Cr. 65,993
Total operating expenses	\$46,041,116	\$46,174,711	\$51,760,649
Net operating revenue	\$23,956,559	\$16,024,799	\$18,990,348
Taxes	2,916,427	2,595,828	2,679,390
Uncollectibles	36,127	28,916	-----
Operating income	\$21,004,005	\$13,400,055	\$16,310,958
Rents	494,259	474,798	387,404
Dividends and interest received	2,857,346	2,656,548	2,843,834
Miscellaneous income	70,421	107,571	35,168
Total gross income	\$24,426,031	\$16,638,972	\$19,578,364
Deduct—			
Other road rentals	\$1,778,528	\$1,621,040	\$1,790,637
Hire of equipment	679,355	837,616	601,714
Rent of track, yards, &c.	1,094,905	1,087,359	1,090,339
Separately operated properties	189,318	183,609	189,216
Interest on funded debt	10,329,592	10,188,022	10,053,023
Interest on equipment obligations	650,629	737,785	660,565
Divs. on M. & O. stock trust cts.	226,008	226,008	226,008
Preferred dividends *	-----	-----	(1/4) 270,000
Additions and betterments	88,195	77,188	91,929
Miscellaneous	143,798	156,976	127,156
Total deductions	\$15,180,327	\$15,115,603	\$17,530,587
Balance, surplus	\$9,245,704	\$1,523,369	\$2,047,777

\* Includes in 1913-14 2% paid in scrip.—V. 103, p. 666, 580.

### Chicago Terre Haute & Southeastern Ry.

(5th Annual Report—Year ended June 30 1916.)

On subsequent pages will be found the income account and balance sheet for the late fiscal year and other important data.

President M. J. Carpenter, Chicago, Sept. 7, wrote in subst:

It will be noted that the income account shows a balance to profit and loss for the year of \$214,331. The amount available for income bond interest, which is determined according to terms of Income Mortgage for period ending June 1, was somewhat less than the above balance because this amount includes the revenue for June 1916, which was a profitable month.

Furthermore, the directors are required, in ascertaining any amount available for income bond interest, to make certain deductions including an amount for depreciation of equipment and expenditures for additions and improvements, all as specified by the Income Mortgage. These deductions having been made accordingly, the amount available for income bond interest up to June 1 1916 was \$54,848, which was less than the minimum installment of interest permitted to be paid under the terms of the mortgage. Consequently no disbursement has been made on account of income bond interest during past fiscal year.

The company has been hampered for many years with a large number of 30-ton coal cars, a great many of which had been out of service. These are now being retired, as many as possible during each month, our income being charged with the difference between their book value and the amount realized thereon plus accrued depreciation.

### RESULTS FOR YEARS END, JUNE 30 (AVER. MILES OPER. 373).

	1915-16.	1914-15.	1913-14.	1912-13.
Statistics (see note)—				
Passengers carried	1,459,479	1,134,338	947,399	710,228
Pass. carried 1 mile	17,065,856	13,941,799	12,922,194	10,904,798
Av. per pass. per mile	1.136 cts.	1.360 cts.	1.570 cts.	1.933 cts.
Revenue tons carried	4,395,208	3,758,486	3,776,839	3,245,563
Tons one mile	408,850.353	339,789.687	331,125.139	274,238.428
Av. rev. per ton per mile	0.555 cts.	0.576 cts.	0.576 cts.	0.609 cts.
Fr't. rev. per train mile	\$4.41445	\$4.21889	\$3.85223	\$3.40517
Av. tons fr't. per tr. mile	795.03	739.54	669.01	558.81
Earnings—				
Freight	\$2,270,165	\$1,938,417	\$1,906,655	\$1,671,112
Passenger	193,825	189,622	202,813	210,816
Mail, express, &c.	64,057	58,229	60,821	47,624
Total	2,528,047	2,186,268	2,170,289	*1,929,552
Expenses—				
Maint. of way, &c.	357,695	286,609	315,929	332,289
Maint. of equipment	545,327	486,720	613,308	402,569
Traffic expenses	47,569	41,823	43,138	37,308
Transportation	746,851	667,925	693,976	634,029
Transp'n for investm't.	Cr. 201	-----	-----	-----
General expenses	103,465	118,831	109,577	95,436
Miscell. operations	12,080	10,523	11,378	-----
Total expenses	1,812,787	1,612,431	1,787,306	*1,501,631
Net operating revenue	715,260	573,837	382,983	*427,921
Taxes	133,909	134,641	138,000	120,000
Uncollectibles	286	250	-----	-----
Operating income	581,074	438,945	244,983	307,921
Hire of equipment, &c.	318,038	265,593	480,380	*490,352
Gross corp. income	899,112	704,538	725,363	*798,273
Deduct—				
Rents, &c.	31,621	30,376	27,424	*7,608
Fixed bond, &c., int.	653,160	654,009	646,653	542,560
Int. on income bonds	-----	-----	-----	(2 1/4) 131,778
Total deductions	684,781	684,385	674,077	*681,946
Balance, surplus	214,331	20,153	51,286	116,327

Note.—Passenger earnings and all passenger statistics are based on 211.53 miles of road, over which regular passenger service is established.

\* Comparison of the items so marked is inaccurate, the figures having been somewhat changed in later years, the final results, however, remained unchanged.

### GENERAL BALANCE SHEET JUNE 30.

	1916.	1915.	1916.	1915.
Assets—			Liabilities—	
Road, equip., &c.	\$25,000,691	\$24,948,753	Capital stock	4,300,000
Miscell. securities	137,009	137,009	Bonded debt (see "Ry. & Ind.")	18,364,055
Cash	359,342	225,898	Equip't bonds	640,000
Special deposits	27,129	31,070	Traffic, &c., bals.	7,922
Traffic, &c., bals.	60,160	32,374	Accts. & wages	256,419
Agents & conduc.	40,551	45,650	Loans & bills pay.	-----
Miscell. accounts	54,628	44,980	Secured time loans	1,480,000
Materials & supp.	221,582	159,010	Matured interest	27,013
Income bond interest	1,056,017	739,212	Inc. bond interest	1,056,017
Oth. def. deb. items	55,024	99,572	Miscell. accounts	10,295
Discount on fund-	-----	-----	Unmat. interest	150,375
ed debt	91,138	95,392	Taxes accrued	112,782
			Accrued deprec'n	249,041
			Oth. unadj. accts.	7,609
			Profit and loss	441,742
Total	27,103,270	26,558,920	Total	27,103,270



## Great Northern Railway.

(27th Annual Report—Year ending June 30 1916.)

The remarks of Chairman and President L. W. Hill will be cited fully next week.

## RESULTS OF LINES OPERATED AS GREAT NORTHERN RY. AND THOSE INDEPENDENTLY OPERATED: MINNEAPOLIS WESTERN RY. AND DULUTH TERMINAL.

Statistics—	1915-16.	1914-15.	1913-14.	1912-13.
Average miles operated.	8,053	8,061	7,781	7,686
Operations—				
Passengers carried (No.)	8,263,972	8,468,317	9,199,259	8,595,073
Pass. carried one mile.	601,257,143	575,020,556	651,649,633	605,639,343
Av. rev. per pass. per m.	2.272 cts.	2.289 cts.	2.336 cts.	2.503 cts.
*Freight (tons)	28,927,130	23,453,059	30,857,598	33,626,638
*Freight one mile.	780,981,834	577,377,488	693,029,709	763,405,449
*Av. rev. per ton per m.	7.705 cts.	0.8166 cts.	0.7948 cts.	0.7653 cts.
*Aver. train-load (tons)	663	650	663	635
Earn. per pass.-train m.	\$1.486	\$1.435	\$1.516	\$1.490
Earn. per fgt. train mile	\$5.11	\$5.31	\$5.27	\$4.86
Gross earnings per mile.	\$10.091	\$8.332	\$9.877	\$10.238

\*Company's freight excluded.

## INCOME ACCOUNT FOR YEARS ENDING JUNE 30.

Earnings—	1915-16.	1914-15.	1913-14.
Passenger	\$13,661,645	\$13,164,857	\$15,224,463
Freight	60,177,249	47,147,314	55,094,925
Mail, express, &c.	5,993,718	5,635,800	5,484,271
Other than transportation	1,429,866	1,214,887	1,061,279
Gross operating revenues	\$81,262,478	\$67,162,858	\$76,854,938
Expenses—			
Maintenance of way and structures	\$9,727,328	\$8,270,354	\$12,831,671
Maintenance of equipment	8,739,909	7,152,302	10,322,198
Traffic expenses	1,168,733	1,167,536	1,360,564
Transportation expenses	22,310,055	18,261,030	21,454,754
General expenses	1,355,420	1,258,756	1,127,440
Miscellaneous operations	875,730	815,184	673,147
Transportation for investment	Cr. 263,099	Cr. 96,886	
Total operating expenses	\$43,914,076	\$36,828,275	\$47,769,774
Per cent of expenses to revenue	(55.01)	(55.84)	(63.03)
Net operating revenue	\$37,348,402	\$30,334,583	\$29,085,164
Taxes accrued	5,132,208	4,629,668	4,792,478
Operating income	\$32,216,194	\$25,704,915	\$24,292,686
General interest	721,912	676,836	720,152
Dividends & interest on securities	1,012,759	649,481	1,824,567
Hire of equipment—balance			80,958
Rents received and miscellaneous	1,110,957	983,883	858,089
Gross corporate income	\$35,061,822	\$28,015,114	\$27,776,452
Deduct—			
Rentals paid	\$888,892	\$849,078	\$860,510
Hire of equipment—balance	99,884	71,933	
Bond interest accrued	6,443,267	6,447,504	6,451,521
Miscellaneous	29,164	28,329	10,869
Interest on new stock subscribed		193,319	572,600
Refunds Minnesota rate case			250,000
Renewal all B. O. docks	256,332	256,332	256,332
Pension Fund	1,000,000		
Miscellaneous appropriations	3,100,865	275,000	
Improvements and betterments	3,500,000	1,000,000	1,000,000
Dividends on stock (7%)	17,456,390	16,796,857	15,063,048
Total deductions	\$32,774,795	\$25,918,352	\$24,464,880
Balance, surplus	\$2,287,027	\$2,096,762	\$3,311,572

—V. 103, p. 938, 145.

## Wabash Railway Company.

(Interim Report for 8 Mos. Period ended June 30 1916.)

The company having decided to make the fiscal year coincide with the calendar year, the present report is merely an interim statement covering the period from Nov. 1, when the reorganized company took possession, until June 30, a total of 8 months. The report shows:

The 6 60-ft. steel postal cars, 300 40-ft. double-deck stock cars and 2,000 40-ton steel underframe box cars contracted for had not been delivered up to June 30 1916.

From Nov. 1 1915 to June 30 1916 inclusive the funded debt was reduced by the payment of \$309,000 receiver's equipment notes, \$214,000 gold equipment sinking fund bonds of 1901; \$6,000 Detroit & Chicago extension bonds and \$10,000 debenture bonds.

## NET RESULTS OF OPERATIONS FOR 8 MOS. PERIOD END. JUNE 30.

	New Co.— 1915-16.	Wabash Railroad— 1914-15.	Old Company— 1913-14.	1912-13.	1911-12.
Oper. Revenues—					
Freight	17,654,486	13,085,314	12,762,281	14,068,060	12,271,020
Passenger	4,041,081	3,645,341	4,321,126	4,497,602	4,166,469
Miscellaneous	1,913,005	1,683,777	1,691,409	1,738,785	1,495,324
Total revenues	23,608,572	18,414,432	18,774,816	20,304,447	17,932,813
Maint. of way, &c.	2,395,239	2,502,630	2,664,679	2,864,297	2,560,304
Maint. of equip.	3,650,822	3,657,329	3,758,118	3,432,570	3,625,036
Traffic	707,889	696,888	661,876	680,338	618,474
Transportation	8,628,416	8,085,645	8,610,534	9,026,868	8,346,429
Miscell. oper.	125,151	103,405			
General	527,414	515,357	555,840	539,095	556,231
Transp. for inv.	Cr. 41,561	Cr. 7,331			
Total expenses	15,993,370	15,553,923	16,251,047	16,543,168	15,706,474
Net earnings	7,615,202	2,860,509	2,523,769	3,761,279	2,226,339
Taxes	707,489	639,125	746,519	619,772	573,244
Oper. income	6,907,713	2,221,384	1,777,250	3,141,507	1,653,095
Interest & income from invest.	52,960	49,970	52,169	97,136	60,530
Rentals received	193,791	215,131	204,317	149,176	136,671
Miscellaneous	58,457	52,226	323,794	330,560	308,651
Total income	7,212,921	2,538,711	2,357,530	3,718,379	2,158,947
Deduct—					
Rentals paid	1,236,631	1,227,660	1,085,105	1,021,551	1,005,378
Hire of equip.	803,585	762,879	830,382	825,369	788,782
Miscellaneous	134,148	159,312	87,797	40,829	29,152
Int. on bonds & equip. oblig.	2,095,056	2,106,026	2,099,992	2,248,105	2,531,899
Int. on rec. cts.		632,750	576,180	466,666	118,750
Disc. on rec. cts.		109,706	168,285		
Int. on 4% notes	40,000				
Balance	sur2,903,501	df2,459,622	df2,490,211	df884,141	df2,315,014

## GENERAL BALANCE SHEET JUNE 30 1916.

Assets (Total \$215,441,076)—	Liabilities (Total \$215,441,076)—
Road and equipment	Common stock
Sinking funds	Preferred 5% stock
Deposits in lieu of mortgaged property sold	Profit-sharing "A"
Miscell. physical prop'y	Convertible "B"
Invest. in affiliated cos.	Funded debt
Other investments	Traffic, &c., balances
Cash	Accounts and wages
Special deposits	Matured interest, &c.
Loans and bills receivable	Accrued interest, &c.
Traffic, &c., balances	Deferred liabilities
Agents and conductors	Tax liability
Miscellaneous	Operating reserves
Material and supplies	Accrued depreciation
Unadjusted debts, &c.	Other unadjusted accts.
	Corporate surplus
	Profit and loss

\*Includes funded debt retired through income and surplus, \$6,000, and sinking fund reserves, \$50,630.—V. 102, p. 2078, 1812.

## Northern Pacific Railway.

(20th Annual Report—Year ending June 30 1916.)

The text will be cited another week.

## OPERATIONS.

	1915-16.	1914-15.	1913-14.	1912-13.
Average miles operated.	6,501	6,461	6,325	6,260
Equipment—				
Locomotives	1,356	1,361	1,357	1,366
Passenger cars	1,281	1,287	1,160	1,162
Freight cars	47,365	48,160	48,974	46,988
Miscellaneous cars	7,385	7,512	7,253	6,961
Operations—				
Passengers carried	8,680,837	8,756,784	9,860,223	9,113,157
Pass. carried one mile	616,681,153	600,273,153	682,271,430	661,517,397
Rate per pass. per mile	2.25 cts.	2.27 cts.	2.30 cts.	2.39 cts.
Rev. freight carr. (tons)	20,995,693	17,625,225	20,422,419	21,285,527
do do 1 mile	701,760,974	516,457,143	562,935,427	623,216,637
Rate per ton per mile	0.793 cts.	0.849 cts.	0.855 cts.	0.839 cts.

## INCOME ACCOUNT.

	1915-16.	1914-15.	1913-14.
Operating Revenue—			
Freight	\$55,656,395	\$43,833,636	\$48,155,832
Passenger	13,852,254	13,619,113	15,707,000
Mail, express, &c.	6,430,582	3,929,346	4,212,638
Incidental, &c.		1,789,558	2,374,105
Total operating revenue	\$75,939,231	\$63,171,653	\$70,449,575
Operating Expenses—			
Maintenance of way and structures	\$8,833,210	\$8,523,657	\$9,363,824
Maintenance of equipment	7,846,259	7,317,074	8,438,276
Traffic expenses	1,177,971	1,191,567	1,270,881
Transportation expenses	20,900,055	18,987,056	21,767,201
General expenses	1,134,020	1,104,712	1,110,080
Miscellaneous operations	986,735	939,338	1,132,195
Transportation for investment	Cr. 511,838	Cr. 955,355	
Total operating expenses	\$40,366,412	\$37,108,049	\$43,082,457
Net operating revenue	\$35,572,819	\$26,063,604	\$27,367,118
Taxes accrued	5,073,415	4,470,959	5,030,584
Uncollectibles	6,214	4,151	
Operating income	\$30,493,190	\$21,588,494	\$22,336,534
Dividends and int. on securities, &c.	\$8,178,105	9,930,762	4,785,550
Hire of equipment	301,153	512,197	864,574
Gross income	\$38,972,448	\$32,031,453	\$27,986,658
Deduct—			
Rentals paid	\$720,912	\$668,768	\$611,895
Interest on funded debt	\$12,303,326	\$12,294,400	\$7,563,449
Other interest, &c.	218,335	245,465	156,067
Dividends on stock (7%)	17,360,000	17,360,000	17,360,000
Total	\$30,602,574	\$30,568,633	\$25,691,411
Net income for year	\$8,369,874	\$1,462,820	\$2,295,247

\* Includes \$4,345,152 dividend income, which also includes the dividends on the Chic. Burl. &amp; Quincy RR. stock owned by the Northern Pacific Ry.

y Includes interest paid on proportion of joint bonds issued by the Northern Pacific Ry. and the Great Northern Ry., secured by the C. B. &amp; Q. RR. capital stock as collateral.

## GENERAL BALANCE SHEET JUNE 30.

	1916.	1915.	1916.	1915.
Assets—			Liabilities—	
Road & equip't.	488,984,795	487,858,217	Capital stock	248,000,000
Inv. in affil. cos.			Funded debt	313,535,500
Stocks	140,467,141	140,689,640	Traffic, &c., bals.	1,061,908
Bonds	25,430,775	25,431,875	Accts. & wages	9,675,621
Notes	6,530,182	5,533,119	Matured int't.	
Advances	1,429,282	1,090,039	divs. & rents	1,874,963
Other invest'mts	25,000	25,000	Misc. accounts	520,028
Misc. phys. prop.	2,444,974	2,218,114	Unmatured int't.	
Depos. in lieu of mtge. prop'y	3,847,890	2,553,899	divs. & rents	4,859,438
Cash	18,305,323	8,140,008	Taxes accrued (partly est.)	2,715,069
Loans & bills rec.	42,533	30,404	Deferred liab'l's	180,301
Traffic, &c., bals.	1,588,697	1,118,113	Unadj. credits	14,177,695
Agts. & conduc.	796,048	688,202	Accrued deprec.	14,748,768
Mat'r. & supp.	6,588,836	6,986,626	Insur., &c., fund	5,803,206
Misc. accounts	3,691,086	3,722,696	Approp. surplus	353,755
Acc'd int., &c.	309,053	296,020	Profit and loss	90,898,737
Special deposits	1,831,006	1,693,177		
Insurance fund	5,803,206	5,803,206		
Unadj., &c., accts	289,162	164,431		
Total	708,404,989	694,042,787	Total	708,404,989

—V. 103, p. 1302, 1299.

Par Value Treas. Securs. (Total \$129,633,376), excl. Ins. Fund, June 30 1916.

Stocks.	Bonds.
Spokane Portl. & Seattle Ry. \$20,000,000	Spokane Portl. & Seattle Ry. \$31,855,000
St. Paul Union Depot Co. 59,850	Northwest Improvement Co. 2,960,000
Lake Superior Terminal & Transfer Ry. 169,800	Other good railroad bonds 163,500
Colorado & Southern Ry. Co. 100,000	Notes
Chic. Burl. & Q. RR. pledged 53,806,750	Spokane Portl. & Seattle Ry. \$3,714,549
Northwest Improvement Co. 6,775,000	Gilmore & Pittsburgh RR. 4,000,000
Miscellaneous	Miscellaneous 226,150
	Advances 1,429,282

x Includes stock in following cos.: Midland Ry. Co. of Manitoba, \$2,150,000; Gilmore &amp; Pittsburgh RR. Co., \$2,000,000, and sundry companies, comprising C. B. &amp; Q. RR., Camas Prairie RR., Dakota &amp; Montana Ry., Lewiston Terminal Co. and Ruth Realty Co., amounting to \$213,495.

Said securities (par value, \$129,633,376) have a book value of \$173,857,380, which is classified in the general balance sheet as follows: Stocks, \$140,467,141; bonds, \$25,430,775; notes, \$6,530,182, and adv. \$1,429,282.

## Lehigh &amp; New England Railroad Company.

(2d Annual Report—Year ended June 30 1916.)

Pres. S. D. Warriner says in substance (compare map, page 75 of "Railway &amp; Industrial" Section):

Results.—Total railway operating revenues increased \$632,306, or 23.89% and total railway operating expenses increased \$278,235, or 18.80%, the ratio of operating expenses to operating revenues (53.62%) being 2.29% less than for the previous year.

Dividends.—Dividends aggregating 8% (\$4 per share), together with an extra dividend of 3% (\$1 50 per share), were paid during the year, the total dividend payments amounting to \$660,000.

Funded Debt.—During the year there were delivered \$493,000 General Mortgage 5% gold bonds previously sold but still in treasury June 30 1915 (V. 102, p. 1060). On April 1 1916 \$800,000 Equipment Trust series "E" certificates were issued by the Pennsylvania Co. for Insurances on Lives & Granting Annuities, trustee under equipment trust lease and agreement created for the acquisition of additional rolling stock and locomotives comprising 550 steel hopper coal cars of 100,000 lbs. capacity each, 200 steel underframe drop-end gondola cars of 100,000 lbs. capacity each, 1 consolidation freight locomotive and 4 switching locomotives. The dividend rate on these certificates is 4½% per annum, and they mature in installments of \$55,000 on April 1 from 1917 to 1930 incl. and \$30,000 on April 1 1931. Equipment trust obligations of series A to D, aggregating \$150,000, were canceled.

Road and Equipment.—This item was increased \$1,210,895 [chiefly for freight train cars, \$655,708, shops and engine houses, \$173,375, steam locomotives, \$93,650; track laying and surfacing, \$51,976; rails, \$56,207; grading, \$48,523, &c.]. The new yards at Pen Argyl have been in use since May 1916.

The replacement of light rail with heavier rail in main line tracks as well as on the Bethlehem and Nazareth branches was practically completed during the year; 33 miles of track, requiring 423 tons of 100-lb. rail, 2,499 tons of 90-lb. rail and 1,636 tons of 80-lb. rail, having been so improved.



**Branch Completed.**—The completion of the Catasauqua & Palmerton branches, together aggregating 10 miles in length, and the acquisition of the Crane RR. have resulted in a satisfactory increase in operating revenues.

#### CLASSIFICATION OF FREIGHT—PRODUCTS OF (TONS).

	Agricul. Animals.	Mines.	Forests.	Manuf.	Mdse.
1915-16.	42,011	6,669	5,464,669	126,399	1,237,228
1914-15.	44,586	8,667	4,346,334	96,674	1,099,626

Products of mines include in 1915-16 3,931,691 tons of anthracite coal and 645,846 tons of bituminous, against 3,326,743 tons and 604,660 tons, respectively, in 1914-15.

#### INCOME ACCOUNT FOR THE YEAR ENDED JUNE 30.

	1915-16.	1914-15.	1913-14.	1912-13.
Miles operated June 30.	295.53	295.97	293.58	268.75
Freight earnings.	\$3,080,845	\$2,502,517	\$2,157,448	\$1,756,475
Passenger.	14,929	15,259	14,008	11,653
Mail, express, &c.	141,710	114,410	67,067	12,547
Incidental.	41,484	14,476	17,277	13,109
Total operating rev.	\$3,278,968	\$2,646,662	\$2,255,800	\$1,793,785
Expenses—				
Maint. of way & struct.	\$436,557	\$343,726	\$292,897	\$249,045
Maint. of equipment.	386,352	382,829	303,627	204,237
Traffic expenses.	24,201	26,226	23,861	16,659
Transport'n expenses.	839,055	655,985	585,782	447,806
General expenses.	71,872	71,036	51,113	45,293
Total operating expen.	\$1,758,037	\$1,479,802	\$1,257,280	\$963,040
P. c. of exp. to earn.	(53.62)	(55.91)	(55.74)	(53.69)
Net operating revenue.	\$1,520,931	\$1,166,860	\$998,520	\$830,745
Accrued taxes.	88,360	67,839	43,126	29,700
Uncollectibles.	194	284		
Net operating income.	\$1,432,377	\$1,098,737	\$955,394	\$801,045
Hire of equipment.		7,242	4,286	
Int., joint facilities, &c.	41,161	54,056	5,657	2,497
Gross income.	\$1,473,538	\$1,160,035	\$965,337	\$803,543
Lease of other roads.		\$35,652	\$63,655	
Hire of equipment.	\$79,847			\$31,045
Joint facility rents.	110,900	75,361	91,783	108,320
Miscellaneous.	6,903	2,991	1,104	15
Interest on bonds.	324,574	317,646	240,094	275,310
Other interest.	1,267	24,314	14,321	20,254
Amortiz. of disc. on bds.	10,339	11,124	7,269	10,416
Dividends paid.	(11)660,000	(8)480,000	(8)361,600	
Total deductions.	\$1,193,830	\$947,088	\$779,826	\$445,359
Balance, surplus.	\$279,708	\$212,947	\$185,511	\$358,184

#### BALANCE SHEET JUNE 30.

	1916.	1915.	1916.	1915.
<b>Assets—</b>			<b>Liabilities—</b>	
Road and equip.*	\$13,933,709	\$12,692,813	Capital stock.	6,000,000
Invest. in affil. cos.			Mortgage bonds.	5,000,000
Stocks.	25,001	25,001	Equipment trust obligations.	2,450,000
Bonds.	50,000	50,000	Traffic, &c., bals.	200,410
Advances.	38,149	33,380	Accts. & wages.	285,699
Other investments.	220	220	Accrued taxes.	71,667
Cash.	582,412	480,999	Matured interest.	126,275
Special deposits.	159,940		Unmatured interest.	29,494
Agts. & conduc'rs.	323,279	266,045	Def'd unadjusted accounts.	83,993
Traffic, &c., bals.	103,421	86,359	Accrued deprec'n.	766,881
Miscell. accounts.	23,249	38,966	Profit and loss.	777,221
Material & supp.	271,244	229,842		
Disct. on fund. dt.	163,861	154,927		
Other unadjusted &c., accounts.	117,155	46,428		
Total.	15,791,640	14,104,979	Total.	15,791,640

\*After deducting \$493,000 mtge. bonds held in treasury.—V. 103, p. 1301.

#### The Missouri Pacific Railway Co.

(7th Annual Report—Year ended June 30 1916.)

We publish below a comparative statement for several years past. The remarks of Receiver B. F. Bush will be cited next week.

#### OPERATIONS OF MISSOURI PACIFIC RY. AND ST. LOUIS IRON MOUNTAIN & SOUTHERN RY.

	1915-16.	1914-15.	1913-14.	1912-13.
<b>Statistics—</b>				
Miles operated, average.	7,341	7,285	7,285	7,257
<b>Operations—</b>				
Passengers carried.	11,979,417	12,591,798	14,193,115	12,520,830
Pass. carried one mile.	501,975,272	492,664,116	548,846,160	502,112,957
Fr't (tons) carried (rev.)	26,178,652	22,873,663	23,280,733	23,310,266
Do carried 1 mile (rev.)	628,704,795	567,917,070	550,487,462	566,840,406
No. rev. tons per tr. mile.	443.31	416.95	388.91	373.29
Earns. per fr't tr. mile.	\$3.42055	\$3.20717	\$3.10814	\$3.01275
Earns. per pass. tr. mile.	\$1.14300	\$1.05527	\$1.10365	\$1.10737
Gross earn's. per m. road.	\$8.768	\$7.990	\$8.235	\$8.565

	1915-16.	1914-15.	1913-14.	1912-13.
<b>CONSOLIDATED INCOME ACCT. FOR JUNE 30 YEARS (BOTH COS.).</b>				
Earnings—				
From freight.	\$48,510,396	\$43,683,712	\$43,995,027	
From passengers.	10,838,313	9,864,626	11,159,634	
From mails.	1,685,291	1,610,464	1,507,423	
From express.	1,537,753	1,401,229	1,513,060	
From miscellaneous.	1,132,293	1,074,978	1,108,369	
Incidentals, &c.	668,255	574,297	702,219	
Total earnings.	\$64,372,302	\$58,209,306	\$59,985,731	

	1915-16.	1914-15.	1913-14.	1912-13.
<b>Expenses—</b>				
Maintenance of way and structures.	\$10,588,678	\$8,141,892	\$8,593,601	
Maintenance of equipment.	13,956,176	10,769,047	10,301,335	
Transportation.	20,486,767	20,576,420	21,332,567	
Traffic.	1,595,954	1,417,094	1,330,992	
General.	1,538,413	1,484,807	1,563,877	
Miscellaneous operations.	213,197	112,891	265,195	
Transportation for investment.	Cr. 95,168	Cr. 22,481		
Total expenses.	\$48,284,013	\$42,559,670	\$43,387,567	

	1915-16.	1914-15.	1913-14.	1912-13.
Ratio operating expenses to earnings.	(75.01)	(73.11)	(72.33)	
Net earnings.	\$16,088,286	\$15,649,636	\$16,598,164	
Taxes accrued.	2,852,480	2,552,429	2,513,433	
Uncollectibles.	59,045	43,567		

	1915-16.	1914-15.	1913-14.	1912-13.
Operating income.	\$13,176,761	\$13,053,640	\$14,084,731	
Income from fund. securities.	239,278	194,050	278,803	
Income from unfund. securities.	139,702	64,288		
Joint facility rents.	504,446	369,934	851,918	
Other rents, &c.	513,923	474,902		
Total.	\$14,574,110	\$14,156,814	\$15,215,452	

	1915-16.	1914-15.	1913-14.	1912-13.
<b>Deduct—</b>				
Interest on funded debt.	\$13,346,389	\$13,251,713	\$13,046,498	
Interest on unfunded debt.	75,547	50,464		
Hire of equipment.	795,467	697,260	1,022,160	
Miscellaneous rents.	170,906	202,040		
Joint facility rents, &c.	1,395,508	1,123,664	1,024,314	
Other charges.	130,514	72,219	47,219	
Total.	\$15,914,331	\$15,397,360	\$15,140,760	

	1915-16.	1914-15.	1913-14.	1912-13.
Balance, surplus or deficit.	def. \$1,340,223	def. \$1,240,546	sur. \$74,692	

#### St. Louis & San Francisco Railroad.

(20th Annual Report—Year ending June 30 1916.)

The company is being reorganized under the new name of the St. Louis-San Francisco Ry., per plan in V. 102, p. 1061, 896; V. 103, p. 240, 60. The new company, it is expected, will take possession by Nov. 1 1916.

The results in the receiver's report of the old company compare as follows:

#### TRAFFIC STATISTICS.

	1915-'6.	1914-15.	1913-14.	1912-13.
Miles operated (average)	5,255	5,252	5,259	5,255
<b>Equipment—</b>				
Locomotives.	826	896	1,037	1,061
Passenger equipment.	684	689	691	695
Freight equipment.	29,602	30,968	31,374	32,071
Company cars, &c.	2,162	1,925	2,466	2,638
<b>Operations—</b>				
Passengers carried.	13,071,958	12,855,721	13,243,356	11,112,598
Pass. carried one mile.	540,703,935	495,673,825	535,108,057	489,684,878
Rate per pass. per mile.	2.17 cts.	2.14 cts.	2.16 cts.	2.38 cts.
Rev. freight (tons) car'd.	20,459,901	18,762,319	19,905,151	19,739,790
Revenue freight (tons) carried one mile.	345,234,669	310,930,639	302,709,826	312,671,306
Rate per ton per mile.	0.97 cts.	0.95 cts.	1.00 cts.	1.00 cts.
Av. train-load (rev.) tons.	334	339	277	281
Earns. per pass. train m.	\$1.1345	\$1.0416	\$1.1221	\$1.0366
Earns. per fr't. train mile.	\$3.245	\$3.13	\$2.967	\$2.815
Gross earnings per mile.	\$9.211	\$8.182	\$8.542	\$8.763

#### INCOME ACCOUNT.

	1915-16.	1914-15.	1913-14.	1912-13.
<b>Operating Revenues—</b>				
Freight.	\$33,547,466	\$29,485,596	\$30,292,499	\$31,272,807
Passenger.	11,710,606	10,623,294	11,563,844	11,651,258
Mail, express and misc.	2,769,716	2,568,433	2,789,891	2,766,907
Other than transp. rev.	375,602	297,259	367,335	359,318
Total oper. revenue.	\$48,403,390	\$42,974,573	\$44,923,569	\$46,050,290
<b>Operating Expenses—</b>				
Maint. of way & struc.	\$7,379,430	\$6,088,312	\$7,762,324	\$5,755,477
Maint. of equipment.	8,122,918	7,762,921	7,492,700	6,091,070
Traffic expenses.	847,194	849,839	929,037	1,007,326
Transportation expenses.	15,503,601	14,667,524	15,760,663	16,505,019
General expenses.	1,294,950	1,185,269	1,325,876	1,352,202
Transport'n for invest't.	Cr. 372,334	Cr. 113,827		

	1915-16.	1914-15.	1913-14.	1912-13.
Total oper. expenses.	\$32,775,759	\$29,839,639	\$33,270,600	\$30,711,694
Net operating revenue.	\$15,627,631	\$13,135,534	\$11,652,969	\$15,339,196
Taxes.	2,175,382	2,067,703	2,149,215	2,657,440
Uncollectibles.	19,945	19,904		

	1915-16.	1914-15.	1913-14.	1912-13.
Operating income.	\$13,432,304	\$11,098,924	\$9,503,754	\$13,281,756
Hire of equipment—Dr.	403,171	539,247	436,946	177,440
Other income.	1,152,194	1,111,089	1,186,857	1,556,463
Total income.	\$14,181,327	\$11,670,767	\$10,253,665	\$14,660,779

	1915-16.	1914-15.	1913-14.	1912-13.
<b>Deduct—</b>				
Interest—see text above.	\$7,901,943	\$8,137,151	\$8,226,386	\$7,999,734
Int. on guar. sec. (rentals).	2,513,803	2,523,060	2,538,160	2,553,035
Other rentals & sk. funds.		867,964	863,880	951,677
Divs. on trust certifs.—	1,397,630			
K. C. Ft. S. & M. Ry.		540,400	540,400	540,400
Chic. & E. Ill. RR.				1,120,766

	1915-16.	1914-15.	1913-14.	1912-13.
Balance.	sur. \$2,367,956	def. \$397,803	def. \$1,915,161	sr. \$1,495,167
New Or. Tex. & M. def.		Not reported.		\$1,214,482
Rio Grande Ry., def.			2,022	4,811
Amort. disc't. fund. debt.	886,860	886,864	910,959	943,222
Prof. stock dividends.				(3%) 149,790

	1915-16.	1914-15.	1913-14.	1912-13.
Balance, sur. or def.	sr. \$1,481,090	df. \$1,284,672	df. \$2,828,142	df. \$817,138

#### BALANCE SHEET JUNE 30.

1916.		1915.		1916.		1915.	
Assets—				Liabilities—			
Road & equip't.	285,674,934	284,456,858		Preferred stock.	37,364,100	37,364,100	
Improv't leased				Common stock.	59,143,300	59,143,300	
Ry. property.	11,965,588	11,195,962		Mtge. bonds.	208,937,231	237,525,049	
Invest in affil. eos.				Collateral trust			
Stocks	50,410,192	50,410,192		bonds	44,705,250	44,719,250	
Bonds	4,120,869	4,120,869		Income bonds	6,322,780	6,322,780	
Notes	4,229,185	4,229,185		Equip't oblig'n's	3,957,618	6,039,508	
Advances	1,655,480	1,624,594		Receivers cer-			
Miscellaneous		*28,410,608		tificates		3,000,000	
Other investm'ts	3,659,272	3,842,622		Traffic, &c., bal.	3,131,851	2,588,645	
Misc. phys. prop.	1,556,429	1,552,103		Accts & wages	4,223,976	3,461,778	
Sinking funds.	591,911	590,685		Loans and bills			
a Secur. pledged	4,290,000	4,290,000		payable	979,274	1,078,708	
a Secur. unpledged	1,509,679	1,764,497		Matured inter't.			
Material & supp	4,451,951	3,120,970		&c., unpaid.	22,833,953	16,094,043	
Agt's. & conduc.	495,137	495,547		Misc. accounts	767,596	629,942	
Traffic, &c., bals.	2,900,948	2,336,904		Acct. int., &c.	1,460,631	1,467,560	
Misc. accounts.	4,156,452	3,971,230		Taxes accrued.	908,594	1,047,534	
Loans & bills rec	131,827	139,642		Ins., &c., res'ves	40,043	20,242	
Cash	5,497,188	3,260,771		Acct'd dep'res'n.	1,873,753	774,142	
Special deposits.	688,133	652,882		Other unadjus.,			
Insur., &c., fund.	104,000	104,000		&c., accounts.	26,588,998	3,721,732	
Prepaid ins., &c.	28,222	46,074		Add'n's to prop.	41,298	5,229	
Unexting. disc't				Funded debt re-			
on debt	8,567,977	12,000,783		tired	527,000	505,000	
Othe unadjus.,				Sig. fund res've	637,695	607,381	
&c., accounts.	23,294,192	802,384		Profit & loss.	Cr4,555,407	Cr2,696,558	
Total	419,979,565	423,419,362		Total	419,979,565	423,419,362	



a demand and market for cotton. Another important factor was a change for the better in the rural credit system. The territory contiguous to these lines is going through the transition stage from the one-crop system to diversified farming.

At this date crop conditions throughout the country contiguous to these lines are very satisfactory, many sections having had abundant rains. The cotton crop will be about an average as to acreage, yield and probable price. The corn, wheat and oats crops are good. While the wheat and oats crops in central Texas were not quite up to the standard in the matter of yield, the quality of the grain was good and the farmers are obtaining excellent prices therefor. The acreage planted to rice along these lines in Arkansas has been materially increased, with every indication of a splendid yield. In certain sections, especially east Texas, there is a decided decrease both in acreage and production of fruit. However, many new orchards have been planted during the past year. An encouraging feature is the increased interest in improved live stock.

**New Bridge Over Mississippi River at Memphis, Tenn.**—The new bridge of the Arkansas & Memphis Ry. Bridge & Terminal Co. (the capital stock of which is owned equally by the Chicago Rock Island & Pacific Ry. Co., St. Louis Iron Mountain & Southern Ry. Co., and this company) crossing the Mississippi River at Memphis, Tenn., was opened for freight and passenger service on July 17 1916, although the bridge was not entirely completed. This will effect for us a material economy as compared with the expense heretofore involved in the river transfer at Memphis. (V. 102, p. 711, 799; V. 103, p. 319.)

**Terminals at Dallas, Texas.**—The new union passenger station and facilities of the Union Terminal Co. at Dallas, Texas, will be placed in operation during the ensuing fall. (V. 102, p. 1164, 1898; V. 103, p. 146.)

For comparative income account, see last week's "Chronicle," page 1299.

#### CONDENSED BALANCE SHEET (ENTIRE SYSTEM) JUNE 30.

	1916.	1915.		1916.	1915.
<b>Assets—</b>			<b>Liabilities—</b>		
Road & equip't.	94,864,382	94,250,627	Common stock.	16,356,100	16,356,100
Invest. in affil'cos	4,507,671	4,501,281	Pref. stock	19,893,650	19,893,650
Misc. investm'ts	18,326	18,326	Bonds (see "Ry. & Ind." Sec.)	55,839,250	56,189,250
Cash	619,620	676,493	Loans & bills pay	785,000	1,621,920
Special deposits	443,323	382,823	Accts. & wages.	1,181,643	977,337
Material & supp	1,477,715	1,522,262	Traffic, &c., bals.	178,963	126,586
Traffic, &c., bals	180,530	121,020	Int. & divs. due.	443,323	382,823
Agents & cond'rs	102,790	72,938	Miscell. accts.	372,006	373,916
Loans & bills rec.	11,830	2,287	Int. div. &c. accr	272,205	279,271
Misc. accounts.	654,897	640,093	Taxes accrued	284,549	252,279
Accr. int. divs. &c	56,772	56,668	Accrued depr n.	3,501,222	3,072,783
Insur. funds, &c	49,033	48,720	Unadj. &c. accts	154,684	166,927
Unadj. accts	956,479	971,439	Add'ns to prop. through income	176,145	163,111
			Profit and loss	4,504,629	3,409,524
<b>Total</b>	<b>103,943,370</b>	<b>103,265,478</b>	<b>Total</b>	<b>103,943,370</b>	<b>103,265,478</b>

x After deducting \$157,189 loss on retired road and equipment and sundries aggregating (net), \$15,160.—V. 103, p. 1299, 1211.

#### New York Ontario & Western Railway.

(37th Annual Report—Year ended June 30 1916.)

Chairman Howard Elliott, N. Y., Sept. 15, wrote in subst.:

**Notes, &c.**—During the year \$200,000 gold notes final installment were paid and also \$202,000 equipment trust notes, series "A," "B" and "C," making a total of \$402,000 paid. Equipment trust notes, series "D," issued, amounted to \$490,000, making an increase for the year \$88,000.

**Results.**—The balance, after fixed charges, \$983,878, was better than for several years, but less than for the years 1905 to 1911, inclusive, and for the year 1913. This result was obtained very largely through a reduction in expenses, which are lower than for any year since 1910 and \$340,074 less than for last year, due to the policy of improving the property.

**Additions.**—Additions to the property for the year ending June 30 1914, were \$1,281,156, against \$71,610 in 1914-15 and \$893,968 in 1915-16; total \$2,246,734. This money has been provided for from earnings or by the issue of equipment notes. (The item \$893,968 represents \$204,825 for improvements, &c. to road and \$689,143 for new rolling stock and improvements to equipment.)

**Operations.**—The average tons hauled per freight train have increased from 352 in 1911 to 451 in 1916. The average cost of maintaining the road per mile operated has decreased from \$2,122 in 1911 to \$1,856 in 1916; for maintenance of locomotives from \$2,604 in 1911 to \$2,541 in 1916.

**Outlook.**—Your company has the capacity to do a much larger volume of business, but the territory served does not change very much and the volume of business shows little growth. To earn any higher return on the property will depend on the ability of the managers to obtain some increases in rates and to continue to improve the efficiency of operation.

#### Extracts from Report of President John B. Kerr, Sept. 12 1916.

**General Results—Coal Business.**—Our earnings have not increased in the same proportion as those of other lines, because we serve no great manufacturing industries, and consequently have had scarcely any share of the great movement of war munitions and supplies.

The revenue from anthracite coal decreased \$267,092, or 6.36%. The shipments over the Scranton division were 3,156,401 gross tons, a decrease of 7.82%, and the movement from the Delaware & Hudson over our line via Sidney was 398,475 gross tons, an increase of 5.29%.

Beside the decrease in tonnage, there has been since April 1 a decrease in revenue per ton carried because of the changes in rates ordered by the I. S. C. Commission. Rates on the larger sizes of coal to tide water and interior points were reduced, and on the smaller, or so-called steam sizes, increased, the net result being an average loss of nearly \$10,000 per month since the order became effective.

The anthracite coal business suffered from several causes, mainly shortage of labor and disturbances in the coal region, unsettled trade conditions preceding and following the wage settlement with mine employees, and embargoes on shipments for a considerable period due to congestion on rail lines. The shortage of labor still continues and there is every indication that there will be demand for the full productive capacity of the mines during the balance of the year, with a prospect that such product will be barely sufficient to meet the demand unless we have an extraordinarily mild winter.

**Car Trusts.**—The board authorized the purchase under car trust of the 400 hopper bottom 50-ton steel coal cars and 100 40-ton gondola cars, deliveries to be made in April and May. A car trust agreement covering these cars was made with Bankers Trust Co., providing for an issue of \$490,000 in notes of April 1 1916, series "D," payable \$35,000 each six months, with interest at 4½% per annum, the balance of cost, about \$80,000, being paid down by the company.

**Wages.**—During the year advances in wages were necessarily made to all employees except train crews, averaging about 7%.

#### OPERATIONS AND FISCAL RESULTS.

	1915-16.	1914-15.	1913-14.	1912-13.
<b>Miles operated June 30.</b>	568	568	568	566
<b>Operations—</b>				
Pass. carried, No. ....	1,863,434	2,011,552	2,223,952	2,245,578
Pass. carried 1 mile. ....	70,037,483	73,660,919	86,762,628	87,345,478
Rate per pass. per mile. ....	2.311 cts.	2.099 cts.	1.970 cts.	1.934 cts.
Freight carried (tons)....	5,773,446	5,911,196	6,046,222	6,409,817
Fr't (tons) car'd 1 mile. ....	845,968,695	861,443,051	878,519,133	933,144,824
Rate per ton per mile. ....	0.790 cts.	0.782 cts.	0.785 cts.	0.783 cts.
Aver. train-load (tons)* ....	451	410	368	373
Earn. per fr't train mile. ....	\$3.21	\$2.88	\$2.36	\$2.41
Earn. per pass. tr. mile. ....	\$1.42204	\$1.39407	\$1.43491	\$1.0948
Gross earnings per mile. ....	\$15.423	\$15.370	\$15.924	\$16.715

\* Excludes milk.

#### Detailed Freight Traffic Receipts (incl. Milk on Passenger Trains).

	1915-16.	1914-15.	1913-14.	1912-13.
Through freight revenue	\$805,100	\$707,037	\$757,696	\$833,812
Local freight revenue	1,110,670	980,359	1,013,462	1,177,623
Milk revenue	839,689	853,406	787,359	810,872
Coal revenue	3,929,646	4,196,738	4,334,679	4,496,797

#### INCOME ACCOUNT FOR YEARS ENDING JUNE 30.

	1915-16.	1914-15.	1913-14.
<b>Earnings—</b>			
Passenger	\$1,618,563	\$1,546,467	\$1,709,369
Freight	5,845,417	5,884,135	6,105,837
Mail and express	217,884	199,505	216,706
Miscellaneous	1,260,388	1,296,899	1,219,658
<b>Total</b>	<b>\$8,942,252</b>	<b>\$8,926,946</b>	<b>\$9,251,570</b>
<b>Operating Expenses—</b>			
Maintenance of way and structures	\$1,055,019	\$1,144,018	\$1,276,477
Maintenance of equipment	1,391,248	1,590,402	1,619,984
Traffic expenses	93,120	101,817	124,220
Transportation expenses	3,462,601	3,516,756	3,702,462
General expenses	203,449	190,640	187,505
Transportation for investment	Cr. 2,514	Cr. 637	
<b>Total</b>	<b>\$6,202,922</b>	<b>\$6,542,906</b>	<b>\$6,910,648</b>
<b>Net earnings</b>	<b>\$2,739,330</b>	<b>\$2,383,950</b>	<b>\$2,340,922</b>
Taxes accrued	259,923	242,455	238,562
Uncollectibles	1,544	55	
<b>Operating Income</b>	<b>\$2,479,863</b>	<b>\$2,141,440</b>	<b>\$2,102,360</b>
Rentals received, &c.	49,644	37,667	67,168
Interest, &c.	138,582	154,738	172,665
<b>Gross corporate income</b>	<b>\$2,666,088</b>	<b>\$2,333,845</b>	<b>\$2,342,193</b>
<b>Disbursements—</b>			
Rentals paid	\$84,397	\$99,815	\$100,349
Interest on bonds	1,204,297	1,227,041	1,256,131
Amortization & bond discount	11,055	10,685	10,685
Other interest		8,253	2,470
Rentals other roads	204,028	181,899	188,624
Hire of equipment	178,433	193,639	120,242
<b>Totals</b>	<b>\$1,682,210</b>	<b>\$1,721,338</b>	<b>\$1,678,501</b>
<b>Balance</b>	<b>\$983,878</b>	<b>\$612,507</b>	<b>\$663,692</b>
Div. on pref. stock	\$210	\$210	\$210
Div. on common stock (1%)	581,071		
<b>Total dividends</b>	<b>\$581,281</b>	<b>\$210</b>	<b>\$210</b>
<b>Balance, surplus</b>	<b>\$402,597</b>	<b>\$612,297</b>	<b>\$663,482</b>

#### BALANCE SHEET JUNE 30.

	1916.	1915.		1916.	1915.
<b>Assets—</b>			<b>Liabilities—</b>		
Road & equip'm't.	85,101,627	84,215,818	Common stock	58,113,983	58,113,983
Improv'ts leased			Preferred stock	4,000	4,000
Railway prop'ty	56,872	48,713	Mortgage bonds	28,630,000	28,630,000
Invest. in affil. cos.			Gold notes		200,000
Stocks	2,312,138	2,312,138	Equip. trust notes	1,498,000	1,210,000
Bonds	6,170,000	6,370,000	Traffic balances	12,836	10,262
Advances	40,061	40,061	Acc'ts and wages	300,069	318,722
Other investments	68,877	79,144	Insur., &c., res'ves	262,588	258,865
Cash	1,119,789	557,818	Oth. unadj. accts.	20,303	13,424
Special deposits	26,430	26,430	Matured int., div. & rents unpaid	18,063	13,225
Traffic balances	1,714	3,233	Unmatured dividends declared	581,071	
Agents & cond'rs	26,927	19,644	Accr. int. divs. &c.	357,963	357,474
Mat'ls & supplies	875,404	731,729	Accr. depr. equip't	1,924,893	1,713,865
Miscellaneous	732,468	1,060,487	Profit and loss	x6,367,644	6,005,621
Int. & divs. receiv.	865,910	866,743			
Disc't on fund. dt.	359,712	365,217			
Other unadjusted, &c., accounts	333,484	152,266			
<b>Total</b>	<b>98,091,413</b>	<b>96,849,441</b>	<b>Total</b>	<b>98,091,413</b>	<b>96,849,441</b>

x After deducting accrued depreciation prior to July 1 1907 on equipment retired, \$35,986, and sundry minor adjustments (net), \$4,588.

The investments in other companies aggregating \$8,550,709 June 30 1916 include: Ontario Carbondale & Scranton Ry. Co. stock, \$1,500,000, and mortgage bond, \$1,500,000; Scranton Coal Co. 1st M. bond bal., \$1,170,000; Elk Hill Coal & Iron Co. 1st M. bond, \$2,400,000; Wharton Valley Ry. Co. stock, \$70,000; Pecksport Connecting Ry. Co. stock, \$49,000; Port Jervis Monticello & Summitville RR. Co. stock, \$110,000, and 1st M. bonds, \$450,000; Ellenville & Kingston RR. Co. stock, \$300,000, and 1st M. bonds, \$650,000; sundry shares and bonds, \$360,709.—V. 103, p. 662.

#### Maine Central Railroad.

(55th Annual Report—Year ended June 30 1916.)

Pres. Morris McDonald, Portland, Me., Sept. 13, wrote:

**Results.**—The operating revenues for the year amounted to \$12,001,673 and income from all other sources \$621,331, making the gross income \$12,623,004, an increase of \$651,250 in the operating revenues, and a decrease of \$185,247 in the income from all other sources. The operating revenues for the year are in excess of those of any previous year. This condition has been brought about by the prevailing business prosperity during the last half of the fiscal year, resulting in the increased movement of lumber and other forest products.

**Maine Railways Companies.**—The Maine Railways Companies held on July 1 1915 156,514 shares of the common capital stock of the Maine Central RR. as collateral security for \$11,965,000 Maine Railways Companies' 5% notes then outstanding. All of the above stock has been disposed of, either by cancellation in connection with the reduction of the common capital stock of the Maine Central RR., by exchange for Maine Railways Companies' convertible notes, by distribution to the Maine Central RR. or by sale. The Maine Railways Companies' notes have all been paid except \$2,492,000, which were outstanding June 30 1916, but have been called for payment at par and accrued interest on Oct. 1 1916. Necessary provision for the funds for payment of these notes and interest has been made and the accounts and affairs of the Maine Railways Companies were closed May 31 1916, in accordance with the vote of the trustees. The investment of the Maine Central RR. in the shares of the Maine Railways Companies has been written off the books and the company had in its treasury as an asset on June 30 1916 \$2,881,500 par value of its own common capital stock.

**Funded Debt.**—The following securities were issued during the year:

Oct. 1915: Portland & Rumford Falls Ry. 4% 20-yr. bonds, due June 1 1935, for additions and betterments. Guaranteed and to be paid principal and interest by Maine Central RR. \$300,000  
Dec. 1915: Maine Central RR. 20-yr. 1st & Ref. M. 4½s. Series "A," due Dec. 1 1935, for retirement of 100,000 shares common capital stock of the company. 7,000,000  
April 1916: Maine Central RR. 20-yr. 1st & Ref. M. 4½s. Series "B," due Dec. 1 1935, to provide for the payment on May 1 1916 of equal par value of 5-yr. 5% coupon notes dated May 1 1914 (called for payment at 102½) (V. 102, p. 1346). 6,000,000

**Fixed Charges.**—The interest on funded debt increased \$185,387 (net), due to the accrual in this year's account of seven months' interest on \$7,000,000 1st & Refund. M. 4½s. g., Series "A," and two months' interest on \$6,000,000 1st & Refund. M. 4½s. g., Series "B," dated Dec. 1 1915, less interest for two months in this year's account on \$6,000,000 5-year 5% coupon notes called for payment May 1 1916.

**Capital Stock.**—In accordance with the Maine legislation approved Mar. 29 1915, the stockholders voted on Oct. 20 1915 to retire \$10,000,000 of the common stock and to issue in place thereof \$3,000,000 5% preferred stock and \$7,000,000 20-year 1st & Refund. M. 4½s. dated Dec. 1 1915 (V. 101, p. 1628, 1714). The present authorized capital stock of the company consists of \$15,000,000 common stock and \$3,000,000 preferred stock.

**Stockholders.**—On June 30 1916 the company had 1,459 common stockholders, and, leaving out the block of 28,815 shares held in the company's treasury and 489 preferred stockholders.

**Additions and Betterments to Property.**—The net amount expended during the year for additions and betterments to property and charged to road and equipment account was \$261,430, of which \$198,628 has been charged to income and credited to additions to property through income and surplus.

**Improvements to Leased Roads.**—There has been expended during the year for additions and betterments to leased roads \$31,259, which amount, when added to \$266,619 representing improvements at Rumford, Maine, makes a total of \$297,878.

**Accrued Depreciation of Equipment.**—On June 30 1916 there was a balance standing to the credit of accrued depreciation of equipment amounting to \$4,127,737, after crediting \$281,716 depreciation charged to operating expenses and deducting \$203,070 depreciation of equipment retired during the year.



**First and Refunding Mortgage.**—This issue of \$25,000,000, due Dec. 1, 1935, is issuable in series, lettered alphabetically, beginning with "A," the bonds of each series bearing such rate of interest and being callable at such premium and at such time or times as may be determined by the company. The mortgage covers all the company's equipment and substantially all of its lines and property in Maine, except the lines formerly of the Somerset Ry. and the Washington County Ry., and covers also its stock in the Portland Terminal Co. and all its leasehold interests in Maine except the lease of the Portland & Ogdensburg Ry. The mortgage was given to the Union Safe Deposit & Trust Co., Portland, Me., as trustee for the bondholders (V. 102, p. 1163, 976).

**Improvements Between Waterville and Clinton.**—In order to avoid the rebuilding of the Waterville bridge, at its present location across the Kennebec River, since a bridge to provide for heavier loading had become necessary, and as it seemed desirable to abandon the present line between Waterville Shops and West Benton, in order to lessen curvature and grades as well as to improve general operating conditions and to render an extension of Waterville Yard possible, your directors have authorized a connecting link of railroad between Fairfield and West Benton, including a new double-track steel deck bridge across the Kennebec River, and the construction of a second track including grade revision between Waterville Shops and Clinton.

#### TRAFFIC STATISTICS.

	1915-16.	1914-15.	1913-14.	1912-13.
Average miles operated.	1,220	1,216	1,207	1,205
Operations—				
No. tons carried (rev.)	7,547,895	6,963,049	7,353,703	7,282,461
do 1 mile (rev.)	730,685,026	654,234,261	703,894,303	656,351,439
Rev. train-load (tons)	318,280	290,400	269,921	259,487
Av. rate per ton per mile	1.060 cts.	1.097 cts.	1.050 cts.	1.036 cts.
Total passengers carried	3,743,119	3,779,055	4,147,913	4,766,403
do 1 mile	144,416,145	144,962,931	161,050,920	163,639,637
Passengers per train mile	53.89	52.79	56.55	58.52
Av. per pass. per mile	2.30 cts.	2.28 cts.	2.18 cts.	2.08 cts.

#### INCOME ACCOUNT.

	1915-16.	1914-15.	1913-14.
Earnings from—			
Passengers (rail)	\$3,327,166	\$3,302,911	\$3,517,583
Freight (rail)	7,741,542	7,179,701	7,440,035
Mail, express, &c. (rail)	652,613	612,430	610,996
Incidental	208,257	181,910	187,985
Transportation (water line)	72,095	73,471	77,390
Total	\$12,001,673	\$11,350,423	\$11,833,989
Operating Expenses—			
Maintenance of way, &c.	\$1,644,715	\$1,630,530	\$1,691,163
Maintenance of equipment	1,691,646	1,745,053	1,886,863
Traffic expenses	137,869	135,734	138,026
Transportation (rail)	4,272,541	4,184,314	4,525,232
do (water)	56,401	61,251	75,256
General expenses	347,911	332,890	314,556
Miscellaneous operations	43,035	55,367	54,511
Transportation for investment	Cr. 1,531	Cr. 1,174	
Total	\$8,192,578	\$8,143,965	\$8,635,607
Net operating revenue	\$3,809,095	\$3,206,458	\$3,198,382
Taxes accrued (railway)	\$636,423	\$644,785	\$611,496
Uncollectibles	1,166	191	
Operating income	\$3,171,505	\$2,561,482	\$2,536,886
Interest, dividends and rents receiv.	621,332	806,578	601,817
Gross corporate income	\$3,792,837	\$3,368,061	\$3,138,703
Deduct—			
Interest on debt	\$735,767	\$550,381	\$362,549
Miscellaneous interest, &c.	14,331	3,733	25,032
Rents	1,144,385	1,146,529	1,161,548
Leased line imp. (rent)	297,878	49,338	203,335
Common dividends	*(7%) 1,036,123	(6) 1,483,002	(6) 1,491,797
Preferred dividends	(2 1/2%) 75,000		
Inc. for invest. in physical prop.	198,628	74,643	
Sinking fund	42,867	40,051	38,128
Total deductions	\$3,544,979	\$3,347,677	\$3,282,439
Balance, surplus or deficit	sur. \$247,858	sur. \$20,384	def. \$143,736

#### \* Dividends Paid During the Year ending June 30 1916.

	Oct. 1 1915.	Dec. 1 1915.	Jan. 1 '16.	Apr. 1 '16.	July 1 '16.
Rates	1 1/4%	1% on stk. exch.	1 1/4%	1 1/4%	1 1/4%
Amount	\$368,874	\$123,595	\$181,716	\$181,716	\$180,222

#### BALANCE SHEET JUNE 30.

	1916.	1915.	1916.	1915.
Assets—			Liabilities—	
Road & equipm't.	37,234,526	36,973,035	Stock (R. & I. Sec.)	17,997,617
Sinking funds	704,033	675,333	Prem. on exp. stk.	3,453
Misc. phys. prop.	316,990	291,394	Maine Rys. Co. 5%	
Stocks owned	6,070,914	6,438,864	notes assumed	2,492,000
Bonds owned	583,893	603,893	Bonds (R. & I. Sec.)	19,961,500
Cash	2,513,737	743,735	Equipment lease—	
Loans & bills rec.	32,102	52,102	hold est.	1,078,824
Special deposits	262,648	37,865	Traffic, &c., bal.	317,317
Dem. and loans, &c.	2,492,000	600,000	Aut. accts. pay'le	843,176
Traffic, &c., bal.	289,893	424,335	Wages payable	76,464
Agts. & conduct'rs	275,778	201,884	Miscell. accounts	131,039
Agents' remitt'ces			Mat'd int. & divs.	332,058
in transit	198,770	149,793	Acct. int. rents, &c.	348,111
Miscell. accounts	533,772	508,932	Sundry lease accts.	104,934
Material & supp.	1,318,093	1,439,884	Sundry funds	232,939
Prepaid insur., &c.	33,377	35,490	Accrued deprec'n.	4,142,641
Other unadj. accts.	152,680	523,903	Add'ns to prop'ty	1,217,934
Equip't on lease—			Sink. fund res'v'es	707,194
hold estates	1,078,824	1,078,824	Profit and loss	4,199,655
Total	\$4,096,938	\$4,096,938	Total	\$4,096,938

x After adding adjustment in value of Maine Central common stock held by the Maine Railways Companies—33,093 shares at \$37.75, \$124,118, and 123,455 shares at \$4.75, \$586,411—and deducting \$376,158 expenses and commissions on Maine Central 1st & Ref. M. bonds, series A, sold, \$150,000 premium on Maine Central notes called for payment, \$71,031 discount and expenses on Maine Central 1st & Ref. M. bonds, series B, sold, \$57,793 net payment for services and commissions account sale of Maine Central common stock held by Maine Railways Companies, and miscellaneous items aggregating \$77,924.

#### EARNINGS OF CONTROLLED COMPANIES YEAR ENDING JUNE 30.

	Gross Net (after Earnings Taxes)	Other Interest, Income, Rents, &c.	Dividends	Balance Surplus
<b>Sandy River &amp; Rangeley Lakes RR.</b>				
1915-16	\$197,328	\$50,734	\$1,331	\$36,718
1914-15	177,276	45,802	288	37,868
<b>Bridgeton &amp; Saco River RR.</b>				
1915-16	\$60,353	\$13,502	\$262	\$6,800
1914-15	59,756	16,161	2,016	7,811
<b>Portland Terminal Co.</b>				
1915-16	\$262,838	\$102,776	\$219,149	\$257,907
1914-15	220,948	64,903	239,222	253,780
<b>Ricker Hotel Co.</b>				
Cal. yr. 1915	\$377,125	\$56,522	\$1,237	\$13,316
Cal. yr. 1914	333,564	33,023	1,469	12,008

#### Detroit Toledo & Ironton Railroad Co.

(22d Annual Report—Year ended June 30 1916.)

President James M. Kurn, Detroit, says in substance: Results.—The past year has shown an increase in gross revenues (of 25.15%) and a decrease in operating expenses (of 1 1/4%), with a consequent satisfactory surplus. The decreased ratio of expenses to revenues (from

92.3% in year 1914-15 to 72.8% in 1915-16) and the higher average rate on all freight carried (5.67 mills in 1915-16, against 4.26 mills in 1914-15) have fully justified the policy inaugurated early in 1915 looking toward the carrying of high grade revenue paying freight instead of unprofitable low revenue coal and ore.

It will be observed that the number of tons carried increased 32.5%, notwithstanding the fact that approximately 263,000 tons of non-remunerative freight were intentionally eliminated.

The increase in the average rate received per ton per mile, together with efficient handling, and better power and track conditions, decreased the total cost of conducting transportation from \$1,009,388 in 1915 to \$968,802 in 1916, a decrease of \$40,486, or 4.01%, although 25.15% more business was handled. The average number of tons of freight per train mile increased from 477.44 tons in 1915 to 618.94 tons in 1916, an increase of 141.5 tons, or 29.6%.

Due to the relatively small proportion of the total tonnage handled being affected by the 5% increase in freight rates granted by the I. S. C. Commission, your company profited by the increase to the extent of only 2%.

Wages, &c.—Wages (exclusive of trainmen and engineers), increased 4.36% and the prices of materials and supplies increased, ranging from 10% to 250%, an average of 54.7%, both items directly affecting conducting transportation and operation.

Equipment.—Extreme shortage of equipment limited the extent of increased business anticipated during the past eight months and has caused a loss to your property not only in lost business, but also in hire of equipment. Since the property originates on its own rails the major portion of the tonnage handled, by the ownership of sufficient cars this debit should easily be turned into a substantial credit.

Road Leased.—On May 1 1916 we took a lease on the Toledo-Detroit RR., consisting of 22 miles of main track, extending from Sylvania Ave., West Toledo, O., to a connection with our road at Dundee Mich. This company owns 2 heavy consolidation type freight locomotives, 1 American type passenger locomotive, 2 cabooses, 2 coaches, 1 combination passenger and baggage car, 2 box cars and 13 flat cars. [The company, said to have been incorporated in Michigan with \$500,000 stock, received authority in Aug. 1915 to issue \$523,000 to bonds, complete the aforesaid line.]

#### INCOME ACCOUNT FOR YEARS ENDING JUNE 30.

(The property was operated by receiver until Feb. 28 1914.)

	1915-16.	1914-15.	1913-14.
Statistics—			
Coal and coke (tons)	887,794	1,090,504	1,170,821
Other freight (tons)	2,357,051	1,388,405	1,198,872
Total tons	3,244,845	2,448,909	2,369,693
Coal and coke (tons—1 mile)	108,833,747	211,709,011	180,815,321
Other freight (tons—1 mile)	226,622,503	139,666,217	127,230,905
Total ton miles	335,456,255	351,375,228	308,046,226
Coal and coke (rate)	4.03 mills	2.83 mills	2.99 mills
Other freight (rate)	6.44 mills	6.42 mills	5.49 mills
Average rate per ton mile	5.67 mills	4.26 mills	4.02 mills
Operating Revenues—			
Coal and coke	\$443,884	\$599,216	\$541,270
Other freight	1,453,350	897,030	698,660
Passenger	161,654	161,380	136,006
Incidentals, &c.	148,374	109,948	138,017
Total	\$2,212,266	\$1,767,580	\$1,513,953
Maintenance of way and structures	\$229,427	\$231,330	\$720,986
Maintenance of equipment	288,619	275,477	612,289
Traffic expenses	49,356	45,407	31,698
Transportation	968,802	1,009,288	952,244
General expenses	74,890	69,443	73,098
Total operating expenses	\$1,611,094	\$1,631,444	\$2,290,315
Net operating revenue	sur. \$601,172	sur. \$136,136	def. \$776,362
Deduction—			
Hire of equipment	112,120	146,842	
Taxes, rentals, interest, &c. (net)	161,115	121,428	
Total deductions	\$273,235	\$268,270	
Balance, surplus or deficit	sur. \$327,937	def. \$132,134	

#### BALANCE SHEET JUNE 30.

	1916.	1915.	1916.	1915.
Assets—			Liabilities—	
Road and equip't.	20,533,819	20,278,832	Common stock	6,500,000
Reconstr. of road	926,773	866,129	Preferred stock	6,000,000
Miscell. property	207,900	207,900	Mortgage bonds	9,125,000
Secur. pledged	50,000		Equipment notes	306,500
Securities—unpled			Loans & bills pay.	50,000
Stock in treas.	10,002	10,002	Traffic, &c., bal.	61,880
Bonds in treas.	371,132	371,132	Vouchers & wages	415,938
Cash	263,762	115,954	Miscellaneous	40,800
Agents & conduct'rs	68,955	51,058	Accrued interest	3,478
Miscellaneous	152,275	103,233	Def. credit accts.	16,171
Material & suppl's	234,074	127,770	Accrued taxes	39,345
Suspense accounts	11,679	5,588	Accrued deprec'n.	64,470
Prepaid insur., &c.	3,685	5,588	Operat. res., &c.	32,566
Unext. disc. on bds.	115,185	101,380	Profit and loss	348,093
Total	22,954,241	22,244,671	Total	22,954,241

—V. 103, p. 1301, 60.

#### Chicago Indianapolis & Louisville Ry.

(19th Annual Report—Year ended June 30 1916.)

Pres. H. R. Kurrie, Chicago, Sept. 15, wrote in substance:

Results.—Operating revenues increased \$1,135,060, or 17.3%; operating expenses, \$433,018, or 9.3%; and the net income, \$652,310, or 272.1%. Freight revenue increased \$956,713, or 22.3%; while passenger revenue increased \$138,186, or 8.1%.

Fixed Charges.—New Mortgage.—Interest on funded debt increased \$16,620, due to the sale of \$3,250,000 of new First & General M. bonds.

In order to take care of the present and future needs, the board created a First and General Mortgage for \$40,000,000 (V. 102, p. 1810, 1825) to be issued in series with interest not to exceed 6% p. a., to be fixed at time of issue. Of these bonds, \$4,530,000, series "A," were certified forthwith to reimburse the treasury for additions and betterments and to provide for paying the \$1,650,000 General Mortgage bonds of 1914 called for payment on July 1 1916 (V. 102, p. 1718); \$3,250,000 have been sold and the remaining \$1,280,000 are held for future use.

On June 30 1916 the company had outstanding no short time obligations, except the serial equipment bonds maturing each six months.

Bonds may be issued in the future for additions and betterments, for 60% of the remaining principal payments on equipment which has been heretofore purchased and is covered by equipment trusts now outstanding, and also to refund all other existing bonded indebtedness of the company. Provision is also made for acquiring the properties of the Indiana Stone RR. (V. 103, p. 320), the Indianapolis & Louisville Ry. and the Chicago & Wabash Valley Ry. (V. 103, p. 320), of which the entire, or controlling stock ownership has been for some time held by this co. (V. 103, p. 1210.)

Dividends.—During the year regular dividends, aggregating 4% on the pref. stock and 3 1/4% on the common stock, were declared and paid out of accumulated income and charged to profit and loss. The last previous div. on com. stock was 1 1/4%, declared on Dec. 12 1913. (V. 102, p. 2253.)

Outlook.—The crops on our line this year are good and general business conditions are very satisfactory. The greatest hazard which the future seems to hold for the net revenue is in the abnormally high prices which must be paid for materials and the constant increase of expenses due to the never ending demands of labor.

#### INVESTMENT INCOME AND AVERAGE INCOME OF CO. AVAILABLE FOR INTEREST, DIVIDENDS, &c.

	June 30 Year 1915-16.	1914-15.	1913-14.	1912-13.	1911-12.
Investm't.	\$41,245,200	\$41,302,482	\$39,514,854	\$38,125,260	\$36,501,927
Income	1,224,282	1,260,166	580,559	1,100,422	1,013,686
Av. inc. of co.	2.97%	3.05%	1.47%	2.89%	2.78%

The annual average investment for the five years was \$39,337,945; the income \$1,035,823 and the average income of the company applicable to bond interest, dividends, improvement of property, &c., 2.63%.



OPERATIONS, EARNINGS AND EXPENSES.			
	1915-16.	1914-15.	1913-14.
Miles operated June 30.....	622	621	618
Operations—			
Passengers carried.....	2,076,678	2,053,531	2,245,133
Pass. carried one mile.....	89,984,598	86,993,893	92,595,943
Rate per pass. per mile.....	2.051 cts.	1.974 cts.	1.86 cts.
Revenue freight, (tons) carried.....	5,297,567	4,355,682	4,652,608
Freight (tons) carried 1 mile.....	729,653,676	560,999,863	631,553,815
Rate per ton per mile.....	0.719 cts.	0.765 cts.	0.73 cts.
Average train-load (tons).....	493	401	415
Earnings per passenger train mile.....	\$1.25	\$1.18	\$1.17
Earnings per freight train mile.....	\$3.55	\$3.07	\$3.03
Earnings per mile of road.....	\$12,362	\$10,558	\$11,237
Earnings—			
Passenger.....	\$1,854,184	\$1,715,998	\$1,722,479
Freight.....	5,245,940	4,280,223	4,610,933
Mail, express and miscellaneous.....	594,610	554,439	610,593
Total earnings.....	\$7,694,734	\$6,559,665	\$6,944,005
Expenses—			
Maintenance of way, &c.....	\$833,031	\$721,224	\$1,041,119
Maintenance of equipment.....	1,279,091	1,097,986	1,073,660
Traffic expenses.....	239,099	242,834	230,919
Transportation.....	2,538,474	2,403,965	2,637,978
General, &c., expenses.....	216,315	212,012	201,053
Total.....	\$5,111,039	\$4,678,021	\$5,184,728
Per cent expenses to earnings.....	(66.42)	(71.31)	(74.66)
Net earnings.....	\$2,583,695	\$1,881,644	\$1,759,277
Taxes.....	364,214	318,497	332,990
Uncollectibles.....	2,195	514	—
Operating income.....	\$2,217,286	\$1,562,633	\$1,426,287
Interest, dividends, &c.....	213,948	190,824	168,195
Hire of equipment, balance.....	82,979	—	—
Joint facilities, &c., rents.....	41,344	41,357	38,349
Total.....	\$2,555,557	\$1,794,814	\$1,632,830
Disbursements—			
Interest on bonds.....	\$954,368	\$935,198	\$855,926
Rentals.....	706,529	594,986	612,304
Hire of equipment, balance.....	—	22,367	18,802
Miscellaneous.....	2,576	2,490	—
Total.....	\$1,663,473	\$1,555,041	\$1,487,032
Surplus for dividends.....	\$892,084	\$239,773	\$145,798
Dividend on preferred (4%).....	\$199,752	\$199,752	\$199,752
Dividend on common.....	(3 1/4) 341,130	(1 1/4) 170,568	—

BALANCE SHEET JUNE 30					
1916.		1915.	1916.		1915.
Assets—			Liabilities—		
\$			\$		
Road & equipment.....	37,250,236	37,225,990	Common stock.....	10,500,000	10,500,000
Inv. in affil. cos.....	—	—	Preferred stock.....	5,000,000	5,000,000
Stocks.....	957,061	957,061	Funded debt.....	19,530,000	16,500,000
Bonds.....	1,041,781	1,312,781	Equip't bonds.....	1,378,000	1,595,000
Notes.....	466,608	466,433	Equip't notes.....	—	100,000
Advances.....	1,149,181	967,940	Monon Realty Co. notes assumed.....	26,160	28,936
Other investments.....	345,246	332,005	Gov't grants.....	6,705	—
Misc. phys. prop.....	28,053	28,303	Notes & bills pay.....	—	1,012,000
Cash.....	178,392	48,362	Traffic, &c., bals.....	159,485	147,227
Loans & bills rec.....	7,024	11,968	Accounts & wages.....	686,359	791,743
Special deposits.....	2,080,084	456,103	Misc. accounts.....	435,721	437,270
Traffic, &c., bals.....	103,133	84,594	Matured int., divs. and rents.....	2,080,084	419,243
Agents & conduc.....	297,075	219,217	Unmat'd int., &c.....	52,056	30,886
Material & supp.....	639,710	471,861	Taxes accrued.....	334,653	307,851
Miscell. accounts.....	259,171	263,929	Operating reserves.....	180,766	95,443
Securities issued or assumed unpledged.....	1,284,300	4,300	Other unadj. items.....	214,050	265,072
Other unadjusted debits.....	172,947	126,173	Accrued deprec'n.....	710,883	550,027
			Add'n to property through income.....	53,386	2,599,871
			Profit and loss.....	4,916,705	2,596,457
Total.....	46,265,012	42,977,020	Total.....	46,265,012	42,977,020

a After deducting \$177,342 surplus invested in road and equipment, \$356,255 debt discount extinguished through surplus, \$124,842; loss on retired road and equipment, \$70,490 loss on bonds of C. & W. L. R.R. sold, and sundry other adjustments, aggregating \$33,435, and adding \$2,723,827 for balance of cost of certain improvements made from July 1 1907 to Apr. 30, 1916 capitalized during the year, and miscellaneous items, aggregating \$7,614.—V. 103, p. 1210, 1170.

### New Orleans Great Northern R.R.

(7th Annual Report—Fiscal Year ended June 30 1916.)

Pres. Walter P. Cooke, Sept. 1, wrote in substance:

Comparison with 1914-15.—The changes were as follows: Operating revenues increased \$168,917, or 10.56%; net operating revenues increased \$219,505, or 39.99%; taxes increased \$3,599, or 18.31%; The net corporate income surplus increased \$249,586. Ratio of operating expenses to total operating revenues was 56.56%, against 65.70% last year.

The net income for the year was \$39,111 greater than in any previous year in the history of your company, and \$249,586 greater than in the preceding year. This result was obtained by an increase of business and greater efficiency in operation. The increase in freight revenue was \$184,785, or 15.74%; passenger revenue, \$40,272, or 14.37%. The increase in hire of equipment credit balance over the preceding year was \$38,071, although freight earnings this year show an increase of \$184,785.

Total tons of revenue freight handled increased 12.95%, and total number of tons handled one mile increased 23.11%. The average revenue per ton mile was 1.391 cts., a decrease of 6.05%. This decrease resulted from an increase in the average length of haul per ton of freight of 6.95 miles, or 9.04%.

The revenue freight per train averaged 351.06 tons, an increase of 1.32%. Total number of passengers carried one mile was 16,782,581, an increase of 13.46%. The average revenue per passenger mile was 1.909 cts., an increase of 0.79%.

The Louisiana Fibre Board Co. began operating its mill at Bogalusa about March 1 this year. The gross revenue received from this plant amounts to about \$5,000 per month. Contracts have been let for the machinery and erection of another fibre board plant at Bogalusa which will have a daily capacity of 100 tons of fibre board, double the capacity of the Louisiana Fibre Board Co.'s mill.

Shipments of fruits and vegetables from local territory show a decrease as compared with the previous year. The farmers during the preceding year received unfavorable prices for their vegetables, and this resulted in small acreage being put out this year.

Tonnage other than forest products continues to show some improvement. Bonds.—Equipment trust bonds, Series "A," were reduced by \$50,000 to \$175,000. Notes of \$50,000 were paid.

Improvements and Betterments.—There was expended during the year \$97,620; of this amount \$49,626 was charged to additions and betterments and \$47,995 to operating expenses. Total amount expended to June 30 1916 was \$460,293; of this amount \$109,293 was charged to additions and betterments and the balance, \$351,000, is being charged to operating expenses at the rate of \$35,100 per year.

### EQUIPMENT OWNED ON JUNE 30.

Year—	No.	Locomotives—	Passenger Tract. Power.	Freight Equip. Equip.	Work. Cap. (tons)	Equip.
1915-16.....	24	559,500 lbs.	31	2,048	50,910	98
1914-15.....	25	569,100 lbs.	30	2,048	50,830	104

### CLASSIFICATION OF FREIGHT—PRODUCTS OF (TONS).

Year—	Agricul.	Animals.	Mines.	Forests.	Manufac.	Miscell.
1915-16.....	43,829	11,667	183,825	827,344	87,006	19,163
1914-15.....	45,316	6,740	168,719	746,591	63,320	7,700

TRAFFIC STATISTICS.			
	1915-16.	1914-15.	1913-14.
Average miles pass. serv.....	282.77	282.77	282.77
Passengers carried.....	490,903	432,705	598,334
Pass. carried one mile.....	16,782,581	14,792,073	19,462,931
Rate per pass. per mile.....	1.909 cts.	1.894 cts.	2.003 cts.
Gross earnings per mile.....	\$6.256	\$5.658	\$6.631
Avg. miles freight serv.....	276.77	276.77	276.77
Rev. tons carried (No.).....	1,172,834	1,038,336	1,066,832
Rev. tons carried one mile.....	98,336,796	79,855,686	84,583,706
Rate per ton per mile.....	1.331 cts.	1.470 cts.	1.571 cts.
Avg. rev. tr. load (tons).....	351.06	346.49	308.89
INCOME ACCOUNT.			
	1915-16.	1914-15.	1913-14.
Freight.....	\$1,358,331	\$1,173,546	\$1,329,083
Passenger.....	320,388	280,117	389,774
Mail, express and miscellaneous.....	55,005	50,392	56,887
Incidental, &c.....	35,192	95,944	99,242
Total operating revenues.....	\$1,768,916	\$1,600,000	\$1,874,986
Expenses—			
Maintenance of way and structures.....	\$166,159	\$206,453	\$254,037
Maintenance of equipment.....	255,251	255,899	225,515
Traffic expenses.....	31,705	31,283	30,955
Transportation expenses.....	470,197	479,089	537,471
General expenses.....	75,078	76,319	82,076
Miscellaneous operations.....	2,160	2,096	2,807
Total expenses.....	\$1,000,551	\$1,051,139	\$1,132,892
Net operating revenue.....	\$768,365	\$548,861	\$742,124
Taxes accrued, &c.....	42,740	35,869	33,583
Operating income.....	\$725,625	\$512,992	\$708,541
Hire of equipment.....	36,549	—	—
Joint facilities, &c., rents.....	5,526	2,279	2,457
Interest on securities, &c.....	744	1,066	1,115
Gross corporate income.....	\$768,444	\$516,337	\$712,113
Defect—			
Hire of equipment.....	1915-16.	1914-15.	1913-14.
Joint facilities rents.....	\$88,656	\$1,523	\$32,598
Interest on funded debt, &c.....	421,983	82,180	78,910
Other interest, &c.....	448	424,863	427,180
Discount on securities issued.....	21,835	21,835	19,104
Total deductions.....	\$532,922	\$530,401	\$557,792
Balance, surplus or deficit.....	\$235,522	def. \$14,064	sur. \$154,321

### GENERAL BALANCE SHEET JUNE 30.

	1916.	1915.		1916.	1915.
Assets—			Liabilities—		
Road & equip'm't.....	16,045,669	15,978,861	Capital stock.....	7,500,000	7,500,000
Other invest., &c.....	3,779	5,010	Funded debt.....	8,423,000	8,473,000
Cash.....	305,444	223,439	Traffic, &c., bals.....	12,045	16,309
Special deposits.....	9,875	3,475	Accounts & wages.....	95,443	113,580
Traffic, &c., bals.....	7,375	3,546	Miscell. accounts.....	10,083	4,378
Agents & conduc.....	21,290	20,050	Unmat'ed int., &c.....	175,479	176,521
Miscell. accounts.....	71,619	68,473	Taxes accrued.....	27,277	22,675
Materials & supp.....	95,894	97,611	Operating reserves.....	32,825	45,572
Unsettled discount on funded debt.....	789,550	811,335	Accrued deprec'n.....	572,725	615,373
Unadjusted, &c., accounts.....	221,369	210,817	Other unadjusted, &c., accounts.....	40,338	34,883
Total.....	17,571,803	17,422,709	Add'n to property.....	30,264	—
—V. 103, p. 844.			Profit and loss.....	652,323	420,419
			Total.....	17,571,803	17,422,709

### Wheeling & Lake Erie Railroad.

(Report for the Fiscal Year ended June 30 1916.)

Receiver W. M. Duncan, Sept. 1, wrote in substance:

Results.—The increase in gross revenue is due in part to a general resumption of business in all lines of industry, particularly marked during the latter part of the fiscal year, and in part to the resumption of mining operations in the Eastern Ohio Coal District. In comparing revenues for 1916 with revenues for 1915, it must be remembered that the latter year was abnormally low as the result of a coal strike extending throughout the entire period resulting in a loss of over \$2,000,000 in coal freight revenue. Comparison of revenues for 1916 with the revenues for 1914 (\$7,658,424) and the several preceding years, will give a better index respecting the annual increase to be expected under normal conditions, if facilities are provided to take care of such increased business.

Receiver's Certificates.—There was issued during the year \$992,000 receiver's equipment certificates for the purchase of new freight car equipment, \$190,000 for new track facilities at Canton to obtain entrance to the extensive new steel plant of the United Furnace Co., and \$431,000 for refunding of an issue of similar amount of April 1 1913.

Car Requirements.—Particular attention is called to the comments contained in report of the General Manager with reference to car equipment requirements. Owing to the rapid rate at which the old wooden car equipment of the company is being retired from service, the new equipment which has been acquired has not served to maintain the carrying capacity, which is reflected in the item of hire of equipment shown here, amounting to \$372,828, representing amounts paid to other lines in excess of payments received from them for the use of our equipment.

Extracts from Report by Gen. Mgr. H. W. McMaster, Clevel., Sept. 1, Operating Expenses.—Special Item.—Enforced economies during the previous fiscal year made necessary considerably larger expenditures for maintenance during the present year in order to bring the roadway and existing equipment into condition to take care of the largely increased volume of traffic. In addition to current maintenance under the rules of the I.-S. C. Commission, it was also necessary to absorb in these accounts an item of \$379,389, representing the residual value of wooden freight cars which had actually been retired in previous years but were not disposed of until the current fiscal year. These cars were either dismantled or disposed of by sale, and owing to the high prices prevailing we were able to dispose of the material to very good advantage. The item above referred to, however, has no place in the current year's operations and should be borne in mind when comparisons are made with previous periods.

During the latter part of the year we acquired by purchase 200 automobile box cars and 600 steel gondolas. During the same period there were retired from serviceable equipment due to general wearout condition 1,601 cars, of which 1,271 were 40-ton wooden gondolas, representing an accumulation of cars during the past few years which had reached the point where it was not economical to endeavor to maintain them in service. The present heavy traffic conditions fully demonstrate the inadequacy of our car equipment to meet the requirements of shippers, which is further reflected in the debit item of \$372,828 shown under hire of equipment. This disability should be borne in mind in considering the future requirements of the property, in view of the continued retirement of wornout wooden cars of light capacity and construction as an economical necessity in the operation of the road. Owing to the fact that the greater part of our traffic consists of low-grade commodities, it is evident that profitable operation can only be obtained by the use of the largest practicable train and car units.

Recommendations by Ernst & Ernst, Certif'd Public Accountants. Based upon our audit and special examination, we have recommended that certain asset accounts be reduced in the amount of \$6,452,498 to June 30 1915. Entries were placed on the books during the fiscal year ended June 30 1916, covering \$1,162,937 of this amount, leaving adjustments of \$5,289,562 not yet made.

In connection with the foregoing, attention is directed to the fact that the receiver has charged his operations for the fiscal year ended June 30 1916, with depreciation and retirement of equipment, excluding dock equipment, in the amount of \$543,627. Of the total amount charged off during the year for depreciation and retirement of equipment we have considered the sum of \$195,436 as applying against the accounts which we previously recommended be reduced, aggregating \$6,452,498, and with the addition of this \$195,436, together with other charges entered on the books during the year, there still remains, in our opinion, an adjustment of \$5,289,562 to be made in the asset accounts. All charges against operating accounts have been absorbed, except items included under the caption of deferred charges in the receiver's balance sheet, which, in our opinion, are proper items to be carried forward into the operations of succeeding periods.



The net operating revenue for the year, aggregating \$1,201,097, as shown in the income account, after the charging off of all expenses of operation, maintenance, hire of equipment, interest on indebtedness approved by the court, and other charges, is, in our opinion, correct, subject, however, to the foregoing explanation.

[Compare reorganization plan dated Sept. 20, 1916, in V. 103, p. 1211.]

#### INCOME ACCOUNT YEARS ENDING JUNE 30.

[For comparative operating statistics see p. 1299 of last week's "Chron."]

	1915-16.	1914-15.	1913-14.
<b>Operating Revenue—</b>			
Coal freight.....	\$2,447,143	\$684,550	\$2,690,441
Ore and general freight.....	5,406,127	3,700,870	3,854,458
Passengers.....	627,476	553,630	621,034
Miscellaneous.....	703,771	489,019	492,491
<b>Total operating revenue.....</b>	<b>\$9,184,516</b>	<b>\$5,428,069</b>	<b>\$7,658,424</b>
Maintenance of way, &c.....	\$1,158,889	\$604,591	\$1,000,063
Maintenance of equip. (see above).....	1,757,744	1,043,748	1,287,186
Traffic expenses.....	102,486	112,250	110,185
Transportation expenses.....	2,741,217	2,088,758	2,663,369
General expenses, &c.....	199,893	190,393	235,857
<b>Total operating expenses.....</b>	<b>\$5,960,229</b>	<b>\$4,039,740</b>	<b>\$5,296,660</b>
<b>Net operating revenue.....</b>	<b>\$3,224,287</b>	<b>\$1,388,329</b>	<b>\$2,361,764</b>
<b>Taxes.....</b>	<b>452,393</b>	<b>385,907</b>	<b>396,831</b>
<b>Operating income.....</b>	<b>\$2,771,894</b>	<b>\$1,002,422</b>	<b>\$1,964,933</b>
Miscellaneous.....	36,947	20,273	63,369
<b>Total income.....</b>	<b>\$2,808,841</b>	<b>\$1,022,695</b>	<b>\$2,028,302</b>
Hire of equipment—balance.....	\$372,829	\$187,665	\$303,985
Interest on bonds.....	633,030	633,030	633,030
Interest on equipment obligations.....	—	33,893	72,997
Interest on notes payable.....	44,275	44,791	44,571
Interest on receiver's certificates.....	453,054	416,189	446,004
Discount on receiver's certificates.....	—	1,202	—
Rents paid.....	104,556	53,065	57,734
Additions and betterments.....	224,812	94,568	143,059
Equip. obligations paid by receiver.....	202,000	291,500	426,000
<b>Total deductions.....</b>	<b>\$2,034,557</b>	<b>\$1,755,903</b>	<b>\$2,127,380</b>
<b>Balance, surplus or deficit.....</b>	<b>sur.\$774,284</b>	<b>def.\$733,208</b>	<b>def.\$99,078</b>

#### COMPANY'S BALANCE SHEET JUNE 30.

	1916.	1915.		1916.	1915.
<b>Assets—</b>			<b>Liabilities—</b>		
Road & equipm't.....	\$6,469,376	\$7,676,635	Common stock.....	20,000,000	20,000,000
Securities issued or assumed—pledged.....	12,000,000	12,000,000	First pref. stock.....	4,985,993	4,985,993
Secs. of controlled cos.—unpledged.....	415,196	833,915	Second pref. stock.....	11,993,593	11,993,593
Other investments.....	2,665,042	2,665,042	Mortgage bonds.....	28,298,000	28,298,000
Cash for matur. int.....	1,255	1,255	Loans & bills pay.....	798,177	798,177
Miscell. accounts.....	117,019	117,693	Audited vouchers.....	261,816	231,177
Condemned equipm't suspense.....	13,125	698,313	Miscell. accounts.....	2,035	2,035
Recr. W. & L. E. RR.....	1,479,500	443,441	Matur. int. unpaid.....	1,079,673	488,255
Profit and loss.....	5,093,237	3,135,471	Mat'd notes unpd.....	10,523,333	10,523,333
			Unmatured interest accrued.....	220,315	220,315
<b>Total.....</b>	<b>78,163,750</b>	<b>77,541,764</b>	<b>Total.....</b>	<b>78,163,750</b>	<b>77,541,764</b>

#### RECEIVER'S BALANCE SHEET JUNE 30.

	1916.	1915.		1916.	1915.
<b>Assets—</b>			<b>Liabilities—</b>		
Road & equip't.....	\$10,216,840	\$8,802,898	Receiver's certfs.....	6,859,850	5,677,850
Adv. to controlled cos. for constr'n.....	1,624,368	1,628,483	Recr's equip. cts.....	1,413,000	1,615,000
Equip. s. f. bonds.....	44,606	44,606	Real est. mtgs.....	3,782	5,019
Cash.....	2,102,198	706,315	Traffic, &c., bals.....	169,248	182,889
Agts. & conduct's.....	170,943	65,551	Accts. & wages.....	779,416	546,522
Materials & supp.....	591,373	471,547	Miscell. accounts.....	162,929	131,561
Miscell. accounts.....	953,499	487,635	W. & L. E. RR. acct.....	1,479,500	443,441
Unadj., &c., accts.....	208,668	42,008	Int. & taxes acce'd.....	498,657	448,580
Profit and loss.....	1,335,752	2,113,298	Accrued deprec'n.....	905,973	926,259
			Unadj., &c., accts.....	276,186	112,324
			Approp. surplus.....	4,699,705	4,272,893
<b>Total.....</b>	<b>17,248,246</b>	<b>14,362,338</b>	<b>Total.....</b>	<b>17,248,246</b>	<b>14,362,338</b>

\* Road and equipment consists of (1) road, \$4,403,419, of which \$2,212,961 was derived from receiver's certificates, \$2,090,458 from income and in Salem RR. (from corporate accts.), \$100,000 (2) equipment, \$5,813,420, of which \$3,826,699 was provided by receiver's certificates, \$467,345 from income, and obligations are outstanding for the remainder, \$1,519,377. a Includes in 1916 cash current account, \$1,527,818; cash receiver's certificate account, \$528,771; cash to pay matured interest, \$29,115, and special cash deposits in lieu of mortgaged property sold, \$16,495.—V. 103, p. 1299.

#### Boston Elevated Railway Co.

(19th Annual Report—Year ended June 30 1916.)

#### RESULTS OF OPERATIONS FOR YEARS ENDING JUNE 30.

	1915-16.	1914-15.	1913-14.	1912-13.
Revenue miles run.....	58,572,308	57,805,695	57,990,436	57,784,319
Revenue pass. carried.....	363,477,041	346,316,584	343,181,049	328,352,863
<b>Earnings—</b>				
Passenger.....	\$18,126,247	\$17,269,033	\$17,112,925	\$16,268,607
Mails, rentals, adv., &c.....	560,725	529,575	516,692	540,302
<b>Total.....</b>	<b>\$18,686,972</b>	<b>\$17,798,608</b>	<b>\$17,629,617</b>	<b>\$16,808,909</b>
<b>Operating Expenses—</b>				
General & miscellaneous.....	\$1,841,396	\$1,738,630	\$1,729,665	\$1,773,597
Maint. of way & struc.....	1,733,379	1,429,567	1,694,072	1,761,843
Maint. of equipment.....	1,324,965	1,203,350	1,331,340	1,282,656
Transportation expenses.....	5,928,096	5,620,829	6,529,627	6,301,401
Power.....	1,233,259	1,290,317	—	—
Traffic.....	18,901	5,290	13,158	16,084
<b>Total oper. expenses.....</b>	<b>\$12,079,996</b>	<b>\$11,287,983</b>	<b>\$11,297,862</b>	<b>\$11,135,581</b>
<b>Net earnings.....</b>	<b>\$6,606,976</b>	<b>\$6,510,625</b>	<b>\$6,331,755</b>	<b>\$5,673,328</b>
Interest on deposits, &c.....	25,658	22,242	35,278	50,419
Int. from secur. owned.....	24,206	22,033	63,969	69,460
Int. charged to construe.....	—	—	47,833	34,141
Income from sink. fd., &c.....	33,280	33,395	—	—
Miscellaneous.....	11,212	10,271	9,282	5,400
<b>Total.....</b>	<b>\$6,701,332</b>	<b>\$6,598,566</b>	<b>\$6,488,117</b>	<b>\$5,832,748</b>
<b>Deductions—</b>				
Int. on West End debt.....	\$867,196	\$819,792	\$790,997	\$762,610
Taxes, West End.....	536,871	546,793	550,638	610,218
Taxes, Boston Elevated on capital stock and U. S. Corporation tax.....	343,813	371,107	340,362	376,462
Tax on earnings.....	158,801	151,289	149,947	141,342
Rental of subway.....	184,687	183,929	188,913	188,068
Divs. on West End stock.....	1,453,161	1,430,323	1,406,808	1,392,969
Div. Somerv. Horse Ry.....	9,180	9,180	9,180	9,180
Rent Old C. St. Ry., &c.....	69,824	65,993	57,216	56,529
Int. on Bos. El. fund. dt.....	1,064,625	963,619	981,000	887,807
Int. on unfunded debt.....	65,053	86,166	86,900	207,700
Wash'ton St. tunnel rent.....	355,568	355,488	354,605	370,256
East Boston tunnel rent do extensions rental from Mar. 17 1916.....	68,057	64,838	64,263	60,575
Cambridge Connect. rent.....	28,357	—	—	—
Boylston St. sub. rental.....	71,098	70,858	70,119	68,409
Miscellaneous.....	207,515	150,382	—	—
<b>Total deductions.....</b>	<b>\$5,497,562</b>	<b>\$5,274,347</b>	<b>\$5,050,948</b>	<b>\$5,132,125</b>
<b>Balance.....</b>	<b>\$1,203,770</b>	<b>\$1,324,219</b>	<b>\$1,437,169</b>	<b>\$700,623</b>
Reconstruction reserve.....	—	—	130,000	—
Winter exp. reserve.....	—	—	50,000	—
<b>Dividends.....</b>	<b>(5%) 1,193,970</b>	<b>(5½%) 1,313,367</b>	<b>(5) 1,193,970</b>	<b>(6) 1,197,000</b>
<b>Balance for year.....</b>	<b>sur.\$9,800</b>	<b>sur.\$10,852</b>	<b>sur.\$63,199</b>	<b>def.\$496,377</b>

x After deducting \$27,065 charged Bay State St. Ry. and \$123 charged Wilbur Theatre.

#### BALANCE SHEET BOSTON ELEVATED RAILWAY JUNE 30.

	1916.	1915.		1916.	1915.
<b>Assets—</b>			<b>Liabilities—</b>		
Road & equipm't.....	\$50,983,019	\$49,485,191	Capital stock.....	23,879,400	23,879,400
Inv. in affil. cos.....	—	—	Prem. on cap. stk.....	2,707,428	2,707,428
Stocks.....	201,510	1,794,387	Funded debt.....	26,586,000	23,300,000
Advances.....	1,817,288	—	Mortgage notes.....	125,000	—
Other investments.....	227,999	191,474	Non-negot'ble debt to affiliated cos.....	1,240,741	1,208,292
Miscell. physical property.....	1,093,948	1,157,480	Loans & notes pay.....	2,100,000	1,850,000
Cash.....	3,234,822	2,018,116	Vouchers.....	689,758	640,921
Special deposits.....	855,124	—	Salaries & wages.....	—	183,454
Loans & notes rec.....	311	209,469	Div. and coupons.....	356,330	94,250
Accounts receiv.....	126,845	—	Rentals unpaid.....	—	262,276
Prepaid rents, &c.....	160,290	80,131	Int., &c., accrued.....	785,930	1,569,681
Bonds deposited with State.....	—	500,000	Taxes accrued.....	798,425	—
Materials & supp.....	1,464,670	1,555,071	Miscellaneous.....	255,051	151,781
Insur., &c., funds.....	835,750	835,750	Casualty reserve.....	1,264,191	463,256
Discount on funded debt.....	332,194	78,940	Insurance reserve.....	—	829,725
Miscell. items.....	173,908	128,119	Depreciation fund.....	444,263	607,224
			Reconstr., &c., res.....	—	67,641
			Prem. on fund. dt.....	12,314	—
			Approp. surplus.....	50,000	—
			Surplus.....	212,845	218,799
<b>Total.....</b>	<b>61,507,677</b>	<b>58,034,129</b>	<b>Total.....</b>	<b>61,507,677</b>	<b>58,034,129</b>

The statement made by the company before the special commission which was appointed by the Massachusetts Legislature to consider the financial condition of the property as bearing on its application for permission to increase fares has been printed for distribution, forming a pamphlet of 86 pages. Gaston, Snow & Saltonstall, of Boston, are the company's counsel in this matter.—V. 103, p. 1209, 492.

#### Quebec Railway, Light, Heat & Power Co., Ltd.

(Report for Fiscal Year ending June 30 1916.)

President Sir Rodolph Forget, M. P., says:

The gross earnings were \$1,731,732, an increase of \$183,634. Adding miscellaneous income of \$236,869, makes a total revenue from all sources of \$1,968,601, an increase of \$184,527. The operating and maintenance expenses were \$1,029,751, an increase of \$104,931. The fixed charges and taxes of all kinds amounted to \$723,447, leaving a net surplus of \$215,403, which, added to the previous surplus, leaves a total surplus to date of \$532,903.

The properties and plants of the company and its various subsidiary companies have been maintained in the same high state of efficiency as heretofore, as evidence of which there was expended during the year on maintenance accounts the sum of \$220,603.

#### INCOME ACCOUNT YEAR ENDING JUNE 30.

	1915-16.	1914-15.	1913-14.	1912-13.
Gross earnings.....	\$1,731,732	\$1,548,096	\$1,531,221	\$1,524,201
Operating expenses.....	1,029,751	924,817	913,102	895,180
<b>Net earnings.....</b>	<b>\$701,981</b>	<b>\$623,279</b>	<b>\$618,119</b>	<b>\$629,021</b>
Add—Miscell. income.....	236,869	235,978	235,777	236,882
<b>Total.....</b>	<b>\$938,850</b>	<b>\$859,257</b>	<b>\$853,896</b>	<b>\$865,903</b>
Deduct—Fixed, &c., chgs.....	723,447	739,482	773,512	792,100
<b>Balance, surplus.....</b>	<b>\$215,403</b>	<b>\$119,775</b>	<b>\$80,384</b>	<b>\$73,803</b>

#### BALANCE SHEET JUNE 30.

	1916.	1915.		1916.	1915.
<b>Assets—</b>			<b>Liabilities—</b>		
Investments.....	\$19,181,389	\$19,181,389	Capital stock.....	9,999,500	9,999,500
Treasury bonds.....	1,742,700	1,742,700	Bonds.....	10,797,000	10,797,000
Adv. control'd cos. for constr., &c.....	1,165,251	833,159	Bills payable.....	175,493	—
General construe'n.....	528,413	524,595	Accts pay'le, &c.....	412,222	545,010
Stores & supplies.....	155,319	155,291	Sundry loans.....	495,294	512,127
Cash.....	167,457	139,595	Accrued int., &c.....	177,012	176,035
Accts & bills rec.....	297,638	227,450	Deferred, &c., int.....	548,818	400,929
Prepaid expenses.....	12,089	10,318	Suspense accts., &c.....	82,016	36,397
			Surplus.....	562,903	317,499
<b>Total.....</b>	<b>23,250,257</b>	<b>22,814,497</b>	<b>Total.....</b>	<b>23,250,257</b>	<b>22,814,497</b>

a Includes bonds authorized, \$14,600,000; less \$3,650,000 in escrow to redeem bonds of subsidiary companies, and \$144,000 canceled; balance, \$10,797,000, embracing consol. mtgs. 5s of 1909, mtgs. 5s of 1912 and Quebec Saguenay Div. 5s, the last two being French issues. As to the sale of the subsidiary companies' properties, see V. 103, p. 579; V. 102, p. 2255, and see "Electric Railway Section."—V. 103, p. 1033, 579.

#### Pullman Company.

(Report for Fiscal Year ending July 31 1916.)

#### RESULTS FOR FISCAL YEAR.—Compare V. 99, p. 1303.

	1915-16.	1914-15.	1913-14.	1912-13.
Total revenue.....	\$43,761,465	\$41,512,884	\$44,725,515	\$42,860,891
<b>Disbursements—</b>				
Operating expenses, &c.....	\$24,645,607	\$20,932,715	\$23,047,338	\$22,633,919
Deprec'n of cars, &c.....	5,967,184	8,231,373	7,552,546	5,929,099
Reserve for further depreciation of cars, &c.....	500,000	1,500,000	3,000,000	3,000,000
Paid other sleeping-car associations.....	268,307	301,947	280,714	356,



**Quarterly Statements.**—The publication of quarterly earnings statements has been authorized. The first one, covering the operations for July, August and September, 1916, will be issued in October.

**Output.**—The buying demand which commenced in the East about the middle of 1915, reached us in October, and during the last eight months of the fiscal year under review the mills producing wire and nails, merchant bars and other of the smaller products operated double turn, while the rail mill production was close to its capacity. As a result of the greater operations at the steel plant, and a somewhat increased demand for fuel from the commercial trade, the coal production increased 912,436 tons, or 39%.

Heavy rails represent more than 50% of the output of our steel plant, and as wage advances added materially to their cost, with no increase in the selling price, the average earnings per ton on all steel sold were not such as might have been anticipated, in view of the high prices prevailing for certain steel products. In normal times our steel plant is dependent primarily upon railroad business, and we feel that every effort should be made to take care of our regular railroad customers during this period of abnormal demand in other lines.

**Orders.**—The orders for steel already booked for forward delivery and the reasonable expectation of business from our regular customers insure practically full operation of all of the mills up to July 1 1917. Some orders for heavy rails have already been booked for delivery in the last half of 1917.

**Wages.**—On Feb. 1 1916 an increase of approximately 10% was made in wages of our steel plant and iron mine workers. At the rate of subsequent operations, this amounted to from \$40,000 to \$45,000 per month. On May 1 another increase, also approximating 10%, and amounting to from \$45,000 to \$50,000 per month, was made to the same class of employees. The first increase, effective for five months, and the second for two months of the fiscal year, amounted in the aggregate to over \$300,000.

On Sept. 1 1916 an increase of about 5% was made in the wages of coal mine employees. On the basis of present operations this will amount to approximately \$20,000 per month, about half of which will fall on the steel works operations, and since the producing capacity of the developed coal mines in Colorado is far above the demand, causing low prices, it is doubtful if any considerable part of the increase in wages can be recovered through higher selling prices for the coal. This advance leaves our wage scale for coal mine operatives about 10% higher than is paid by our Eastern competitors.

At the present operating rate, these various wage advances involve an annual increase in the pay-roll of about \$1,250,000. The increases mentioned, both at the steel works and at the mines, were determined in conference with representatives of the employees.

**Co-operation.**—Early in October, 1915, while John D. Rockefeller Jr. was visiting Colorado, the "Industrial Representation Plan" was brought to its finished state, and was thereupon, together with a wage agreement, adopted by a large majority vote of the coal mine operatives, as well as by your directors, and subsequently, early in 1916, by a large majority vote by the employees of the steel works.

This plan provides for co-operation in improving the working and living conditions and also a simple and effective method whereby all grievances may be adjusted, either directly or through representatives of the employees selected by secret ballot. The President's industrial representative is constantly in the field, and any grievances that he cannot satisfactorily adjust may be taken to any officer of the company, or to a joint committee composed of representatives of both the men and the company, or to the State Industrial Commission.

From the standpoint of both management and employees, the Industrial Representation Plan has been an unqualified success. The relations between the officials and workmen have become much more friendly and the understanding by each of the point of view of the other far more clear.

#### STATEMENT OF PRODUCTION FOR YEARS ENDING JUNE 30.

Tons, 2,000 lbs.—	1915-16.	1914-15.	1913-14.	1912-13.
Coal.....	3,241,505	2,329,069	2,428,992	4,091,667
Coke.....	702,061	520,261	535,274	784,627
Iron ore.....	709,601	441,026	614,039	853,878
Limestone.....	369,513	344,033	376,226	485,756
Pig iron produced.....	339,968	268,661	268,883	416,467
Finished iron and steel.....	454,220	324,600	352,929	458,521

#### RESULTS FOR YEAR ENDING JUNE 30.

	1915-16.	1914-15.	1913-14.	1912-13.
Iron department.....	\$17,992,307	\$10,885,451	\$12,085,037	\$15,590,535
Fuel department.....	7,634,298	5,692,589	5,717,988	8,725,353
Total gross earnings.....	\$25,626,605	\$16,578,040	\$17,803,025	\$24,315,888
Iron department.....	\$4,062,592	\$1,869,317	\$1,569,288	\$2,894,464
Industrial dept. (fuel).....	283,494	loss 104,259	loss 495,518	725,802
Total net earnings.....	\$4,346,086	\$1,765,058	\$1,073,770	\$3,620,266
Add—Inc. from secur's.....	492,007	370,508	391,229	563,439
Interest and exchange.....	132,984	125,535	186,248	192,190

Total net income.....	\$4,971,077	\$2,261,101	\$1,651,247	\$4,375,895
Deduct—				
Bond interest.....	\$2,011,959	\$2,016,213	\$2,021,103	\$2,026,780
Taxes.....	348,889	302,909	293,580	243,722
Real estate sink. funds.....	184,089	83,658	90,221	142,531
Insur., pers'l injur., &c.....	58,000	74,494	55,128	50,082
Equipment renewal.....	145,000	80,000	43,016	120,000
Loss on Crystal R. RR.....	15,000	36,000	36,000	36,000
Prospecting.....	6,970	2,488	18,168	29,588
Preferred dividends.. (30%) 600,000.....				(4%) 80,000

Total deductions.....	\$3,369,906	\$2,595,762	\$2,557,216	\$2,728,703
Balance, sur. or def. sur. \$1,601,171 def. \$334,661 def. \$905,969 sr. \$1,647,192				

#### BALANCE SHEET JUNE 30.

Assets—	1916.	1915.	Liabilities—	1916.	1915.
Property.....	\$62,801,090	\$62,684,146	Common stock.....	\$34,235,500	\$34,235,500
Cash on hand.....	4,237,278	2,675,325	Preferred stock.....	2,000,000	2,000,000
Stocks and bonds.....	15,445,170	15,412,070	Funded debt.....	\$45,005,000	\$45,075,000
Accts. & bills rec.....	4,162,139	3,409,476	Accts. & bills pay.....	1,028,011	698,202
Subsidiary cos.....	203,135	332,037	Hospital.....	19,557	9,106
Manufact'd stocks.....	3,761,528	3,391,232	Accrued bond int.....	826,995	828,003
Acqr. divs. & int.....	131,233	235,342	Tax payment fund.....	100,000	100,000
Miscellaneous.....	167,703	159,318	Unpaid pref. div.....	600,000	
			Sink. fd.—real est.....	1,841,039	1,655,950
			Miscell. funds.....	331,049	319,904
			Profit and loss.....	\$4,922,127	\$3,376,281

Total.....\$90,909,277 \$88,298,946 Total.....\$90,909,277 \$88,298,946

x Includes Col. Fuel & Iron Co. 5% gen. M. bonds, \$5,758,000; Col. Fuel Co. 6% gen. M. bonds, \$120,000; Grand River Coal & Coke Co. 6% 1st M. bonds, \$853,000, and Colo. Industrial Co. 5% 1st M. bonds, \$38,274,000.  
y After deducting sundry amounts (net), \$56,324.—V. 63, p. 103.

#### The Westinghouse Air Brake Co., Pittsburgh, Pa.

(Report for Fiscal Year ending July 31 1916.)

Pres. H. H. Westinghouse, Wilmerding, Pa., Oct. 7 said:

**Results.**—The net profit for the year, after the usual scheduled monthly charges against production to cover depreciation, also charges to cover workmen's compensation fund and pension fund requirements, totals \$9,396,103, as compared with \$1,575,838 for 1914-15. This result is due to a recovery in the company's brake business to a point somewhat in excess of its normal level, as determined by the five-year average, and to the satisfactory conclusion of our contract for 1,250,000 18-lb. shrapnel referred to last year (V. 101, p. 1270; V. 102, p. 1065). It is gratifying to state that the estimates made by the management on undertaking this business have been confirmed.

**Wages, &c.**—The shop pay-rolls in 1915-16 aggregated \$4,713,377, against \$2,048,245 for the previous year, while in addition to this increase of \$2,665,132 in wages paid directly to employees of the Westinghouse Air Brake Co., a very large amount was disbursed among workmen in other plants which furnished material purchased by the brake company to meet the requirements of its munition contracts.

**Reserves.**—An ample reserve has been set up to cover the munition tax on deliveries made during the calendar year 1916, out of which the U. S. Government will ultimately be paid, provided the excise tax levied subsequently to the sale of the product taxed is found to be constitutional.

**New War Contracts.**—Your company is now engaged in executing a contract for 1,100,000 time fuses, which will be completed during the current calendar year. No additional business of this character is now in sight.

**Dividends Paid by Companies, &c.**—The Westinghouse Brake Co., Ltd., of London, has paid dividends aggregating 12½%, and continues to do well. The Russian and Italian companies are likewise prosperous, the former having recently declared a dividend of 12% out of the earnings of the calendar year 1915. The French brake company is steadily increasing its resources, and its future prosperity seems to be assured. The current electrical business of the Canadian Westinghouse Co., Ltd., is exceptionally heavy and its net earnings this year will exceed those of 1915, out of which dividends aggregating 9% were declared and paid.

#### CONSOL. PROFIT AND LOSS ACCOUNT YEARS ENDING JULY 31.

	1915-16.	1914-15.	1913-14.
Balance beginning of year.....	\$1,390,342	\$5,648,865	\$5,503,059
Sundry adjustments applying to former years.....	Cr. 189,825		deb. 197,304
Remainder.....	\$4,580,167	\$5,648,865	\$5,305,755
Net earnings, all sources.....	\$9,396,103	\$1,575,839	\$3,482,994
Revaluation Amer. Brake Co. stock.....		Cr. 250,000	
Sundry profits prior years, &c.....		Cr. 56,298	
Net profits from operations.....	\$9,396,103	\$1,882,137	\$3,482,994
Total.....	\$13,976,270	\$7,531,002	\$8,788,749
Cash dividends paid.....	3,140,972	3,140,660	3,130,884
Balance, end of year.....	\$10,835,298	\$4,390,342	\$5,648,865

x "Revaluation of American Brake Co. stock" denotes transfer from contingent surplus on revaluation of American Brake Co. stock.  
y "Sundry profits prior years, &c." embraces sundry profits belonging to prior periods and adjustment of valuation of plants based on appraisals.

#### CONSOLIDATED BALANCE SHEET JULY 31.

Assets—	1916.	1915.	Liabilities—	1916.	1915.
a Factories, bldgs., and equipment.....	6,549,649	6,572,033	Capital stock.....	19,638,467	19,638,467
West's Bldg., Pitts.....	800,000	800,000	Accounts payable.....	1,566,281	692,495
Allegheny plant.....	6240,000	200,000	Adv. on contracts.....	70,710	2,073,050
Property at Wilmerding, Pa., c.....	910,254	892,000	f Contingent liabilities acc't sales.....	289,636	163,810
Inventory at cost.....	7,908,194	6,729,346	Renewal, &c., res.....		(1,850,165)
Cash on hand.....	3,432,177	2,067,761	Reserve for expend.....	2,691,450	
Accts. & bills rec.....	6,079,744	2,551,697	acc't of dev., &c.....		500,000
Investments.....	8,315,959	8,294,995	Contingent surplus.....	1,000,000	1,500,000
Pat'ts & good will.....	2,515,345	2,790,515	Accrued liabilities.....	745,134	141,180
Deferred assets.....	81,656	51,339	Undivided surplus.....	10,835,298	4,390,342
Total.....	\$33,836,977	\$30,949,509	Total.....	\$36,836,977	\$30,949,509

a Includes factories at Wilmerding, St. Louis, Milwaukee, Emeryville and Runyon, less depreciation. b Allegheny plant leased to Locomotive Stoker Co. c Largely improved by houses for workmen and sundry other small tracts. d Considered good. e Investments in 1916 consist of 22,974 shs. Westinghouse Brake Co., Ltd., of London (par \$100), 17,270 shs. Canadian Westinghouse Co., Ltd. (par \$100), and sundry other items. f Contingent liabilities on account of sales, subject to future settlements. g Includes reserve for extraordinary repairs and replacements, inventory adjustments and extraordinary losses.—V. 102, p. 1065.

#### Saxon Motor Car Corporation.

(First Annual Report—Fiscal Year ending June 30 1916.)

Pres. & Gen. Mgr. H. W. Ford says in substance:

**Shipments.**—We shipped during the year 25,500 cars, an increase over the previous year of 15.557 cars, or 159.06%. We expect to realize a considerably increased production with better profits in the year just begun.

**Orders.**—We have on file now contracts with dealers for more than 50,000 cars, with a number of territories still to be closed. All automobile companies make dealer contracts for a total number of cars somewhat in excess of the number they can actually produce.

**New Series Cars.**—We are just now starting on the production of a new series of both the six and four-cylinder cars. The price of the six-cylinder car will remain as at present, \$815. In the case of the four-cylinder car, we felt that it was better to meet competition on the basis of quality rather than of price alone. We have accordingly added larger wheels and tires, demountable rims, two-unit starting and lighting system, a larger and handsomer body, new fenders, top, speedometer, electric horn, &c. The price will be raised accordingly to \$495. During the past year we furnished electric starting and lighting equipment on this car at \$50 above the then list price of \$335.

**Necessity for New Plant.**—Our rapid growth has resulted in great congestion at our plant in Detroit, which we lease. We have accordingly made our plans to have a complete up-to-date plant of our own. A well-located site has been purchased on the west side of Detroit and we expect to get into the new buildings by the next automobile season. The new factory should mean increased volume, and eventually increased profits. We hope to pay for the factory as we go along, almost entirely out of our earnings, and at the same time maintain at least the present rate of dividend.

**Shares Listed.**—During the year our shares have been listed on the New York Stock Exchange.

#### BALANCE SHEET JUNE 30 1916 (Total each side, \$7,730,665.)

Plant and equipment.....	\$73,914	Capital stock.....	\$6,000,000
Investments.....	7,500	Notes and accts. pay., &c.....	907,222
Cash.....	596,722	Surplus.....	
Notes & accts. receivable.....	392,839	Profits earned for 8 mos. from November 1 1915.....	\$963,443
Materials & cars on hand.....	2,134,327	Less: Div. pd. June 30 1916.....	90,000—
Deferred charges.....	18,143		873,443
Good-will, models and patent rights.....	4,557,229		

The chartered accountants report: "We have audited the accounts of the company for the six months ending June 30 1916. The profits for this period together with that shown by the books of this corporation and the former corporation covering the period July 1 1915 to Jan. 1 1916 make a profit for the complete year ending June 30 1916 of \$1,316,273. The profits earned for the 8 months from Nov. 1 1915 to June 30 1916 were \$963,443; less dividend paid June 30 1916, \$90,000 (1½% quarterly); balance, surplus, as per balance sheet, \$873,444." [A second quarterly dividend, this time 1½%, has been declared, payable Oct. 2.—Ed.]—V. 103, p. 1123, 104.

#### Barney & Smith Car Co., Dayton, O.

(Report for Fiscal Year ending June 30 1916.)

#### INCOME ACCOUNT FOR YEAR ENDING JUNE 30 1916.

Net profit.....	\$545,014	Interest and discount on notes.....	\$26,000
Depreciation.....	70,577	Adjustment.....	Cr. 1,748
Interest on bonds.....	100,000	Balance, surplus.....	\$350,184

#### BALANCE SHEET.

Assets—	June 30 '16	Dec. 15 '15	Liabilities—	June 30 '16	Dec. 15 '15
Real est., buildings, machinery, &c.....	2,691,390	2,728,863	8% cum. pref. stock.....	2,500,000	2,500,000
Good-will, pat'ts, &c.....	3,029,169	3,029,169	Common stock.....	2,000,000	2,000,000
Investments.....	417,468	425,390	6% gold notes.....	600,000	600,000
Cash.....	197,387	265,420	First M. 5% bonds.....	2,000,000	2,000,000
Cash from sale of notes.....		564,000	Prior to receivership:		
Accounts receivable.....	341,326	362,014	Liab. (since paid).....		608,465
Notes receivable.....	35,356	60,245	Unclaimed wages.....		2,691
Material and orders in process.....	1,261,915	809,340	Accounts payable.....	220,364	289,106
Unexpired insurance.....	2,611	5,439	Notes payable.....	150,911	
Disc. on 3-year notes.....	29,500	36,000	Acqr. int., taxes, &c.....	60,510	120,297
Depreciation.....	\$92,500	114,437	Adv. accts. contracts.....	216,652	208,932
			Flood reserve acc't.....		10,825
Total.....	\$8,098,622	\$8,400,316	Profit and loss.....	350,184	

\* Depreciation—60% of the cost of machinery for munition contracts.—V. 103, p. 495, 146.



**Associated Dry Goods Corporation.**

(Balance Sheets as of Dec. 31 1914 and June 30 1916.)

This company, having succeeded to the properties of the United Dry Goods Companies, and the Associated Merchants Co., issued recently a balance sheet as of Sept. 20 1916 (see V. 103, p. 1208, 1212, 1216). To elucidate that balance sheet, we publish below a consolidated statement of assets and liabilities as of June 30 1916 and Dec. 31 1914 of the predecessor companies, covering in addition to their own assets and liabilities the subsidiary dry goods companies wholly owned.

**CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES.**

The Associated Merchants Co., United Dry Goods Cos. and Sub. Dry Goods Cos. Wholly Owned June 30 1916 and Dec. 31 1914, including Statement of Investments as Valued at that Time by Committee.

Assets—	June 30 '16.	Dec. 31 '14.
Subsidiary companies—Cash	\$982,145	\$1,092,042
Accounts and notes receivable	3,474,978	4,680,174
Merchandise and supplies	5,670,348	7,222,236
Due from parent companies	797,454	356,555
H. B. Claffin & Co. debt to Powers Mercantile Co. at 50%		99,839
Deferred charges	144,246	78,636
Investments—Musical Instrument Sales Co., 900 shares stock, \$90,000; miscellaneous insurance and other investments, \$71,625	161,625	218,708
Fixtures and equipment, \$1,996,060; real estate and improvements, net of mtgs., \$4,955,907	6,951,967	7,018,333
Parent companies—Cash	124,778	79,466
Due from subsidiary companies, \$483,673; due from Musical Instrument Sales Co., \$93,705	577,378	1,397,610
Investments—Lord & Taylor securities: 7,168 shares 1st pref. stock, 14,600 shares 2d pref. stock, 24,207 shares common stock	2,200,000	2,261,059
Surety Coupon Co., all capital securities	200,000	500,000
C. G. Gunther's Sons, 2,000 shares com. stock	100,000	
Higbee Co., 1,300 shares 2d pref. stock	113,000	130,000
Musical Instrument Sales Co., 500 shares capital stock (subsequently sold at par)	40,000	
Adrico Realty Corporation (owning real estate on West 34th St. near 5th Ave., occupied by James McCreery & Co.), all capital securities—value based on appraisal \$3,700,000, less mortgage of \$2,200,000	1,500,000	1,300,000
Mercantile Stores Corp. notes, face val. \$807,403	273,188	400,000
Accts. receivable purchased, face val. \$263,792	50,000	520,833
<b>Total of tangible assets of subsidiary companies and assets of parent companies</b>	<b>\$23,361,106</b>	<b>\$27,355,491</b>
<b>Liabilities—</b>		
Subsidiary companies—Accounts payable, \$1,361,206; notes payable, \$275,000	\$1,636,206	\$3,960,024
Due to parent cos., \$483,673; due to Surety Coupon Co., \$80,000	563,673	1,541,458
Accrued expenses	45,791	x-----
Parent companies—Notes payable, \$500,000; due to subsidiary companies, \$797,454	1,297,454	1,592,994
Excess of assets over liabilities	19,817,982	20,261,015
<b>Total</b>	<b>\$23,361,106</b>	<b>\$27,355,491</b>

The capital stock of the new Associated Dry Goods Corporation, to be issued, under the plan of reorganization, will be as follows: 1st pref. stock (auth. \$20,000,000), \$13,818,700; 2d. pref. stock (auth. \$10,000,000), \$6,725,500; and common stock (auth. \$20,000,000), \$14,985,000; total, \$35,529,200.

The total liabilities (except mortgages) amounted to \$3,543,124; e. g., outside, \$2,261,997; inter-company, \$1,281,127.

**CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30 1916 AND DEC. 31 1914.**

(Including the Associated Merchants Co. and United Dry Goods Cos.)

Company—	Tang. Assets. June 30 '16.	Liabilities. June 30 '16.	Excess of Assets over Liab. June 30 '16. Dec. 31 '14.	
James McCreery & Co., New York City	\$4,421,955	\$383,830	\$4,038,125	\$3,740,823
Hahne & Co., Newark, N.J.	5,149,185	297,510	4,851,675	5,117,328
Stewart & Co., Balt.	2,511,191	348,435	2,162,756	1,640,690
Wm. Hengeler & Co., Buff.	1,669,310	134,232	1,535,078	1,273,999
Powers Mercantile Co., Minneapolis	1,575,929	105,287	1,470,642	1,261,181
J. N. Adam & Co., Buffalo	1,744,435	596,189	1,238,246	1,306,744
Stewart Dry Goods Co., Louisville, Ky.	1,110,757	470,187	640,570	924,275
Totals	\$18,182,762	\$2,245,670	\$15,937,092	\$15,265,040
Adrico Realty Corp. (owning real estate on West 34th St. near 5th Ave., occupied by James Mc- Creery & Co.), all capital securities value based on appraisal.			*1,500,000	1,300,000
Surety Coupon Co., all capital securities valued by committee as of June 30 1916			200,000	500,000
Lord & Taylor, N. Y.—7,168 shares of 1st pref., 14,600 shares of 2d pref. and 24,207 shares of common stock			2,200,000	2,261,059
C. G. Gunther's Sons, N. Y.—2,000 shares of common stock			100,000	
Higbee Co., Cleve.—1,300 shares of 2d pref. stock			113,000	130,000
Musical Instrument Sales Co., N. Y.—500 shares stock (subsequently sold at par)			40,000	
Mercantile Stores Corp. notes (face val. \$807,403)			273,188	400,000
Due from subsidiary companies			577,378	1,397,610
Cash			124,778	79,466
Accounts receivable purch. (face value \$263,792)			50,000	520,833
Total			\$21,115,437	\$21,854,009
Accts. payable, \$500,000; due to sub. cos., \$797,454			1,297,454	1,592,994
Excess of assets over liabilities			\$19,817,983	\$20,261,015

\* Equities in real estate are included, mortgages thereon having been deducted. y Bills receivable as of Dec. 31 1914.—V. 103, p. 1208, 1212.

**GENERAL INVESTMENT NEWS****RAILROADS, INCLUDING ELECTRIC ROADS.****Boston & Maine RR.—Sub. Company Meeting.**

See Concord &amp; Montreal RR. below.—V. 103, p. 1300, 1117.

**Chicago & Alton RR.—Earnings for Fiscal Years.**

June 30 Years.	1915-16.	1914-15.	1915-16.	1914-15.	
	\$	\$	\$	\$	
Gross earns.	16,325,288	14,245,624	Gross income.	4,977,677	3,270,154
Net earnings.	4,723,495	3,172,917	Int., taxes, &c.	5,149,254	4,960,310
Other income.	254,182	97,237	Balance, def.	171,577	1,690,156
—V. 101. p. 1364.					

—V. 101, p. 1364.

**Chicago & Eastern Illinois RR.—Earnings.**

June 30 Yrs.	1915-16.	1914-15.	1915-16.	1914-15.	
Gross earns.	\$16,698,404	\$14,100,772	Gross inc.	\$4,387,149	\$2,584,748
Net, aft. tax.	3,309,647	1,994,230	Int. rent. &c.	1,463,551	2,131,947
Other inc.	1,077,501	590,518	Bal., surp.	2,923,598	452,801

The total surplus June 30 1916, after adding \$2,779,716 interest accrued and charged to income prior to June 30 1915, which by order of court has been paid, and deducting miscellaneous items (net), aggregating \$124,640, was \$2,886,663.—V. 103, p. 1210.

The total surplus June 30 1916, after adding \$2,779,716 interest accrued and charged to income prior to June 30 1915, which by order of court has been paid, and deducting miscellaneous items (net), aggregating \$124,640, was \$2,886,663.—V. 103, p. 1210.

**Chicago Rock Island & Pac. Ry.—New Directors.**

At the annual meeting recently held James Speyer and S. Davies Warfield were elected directors, succeeding respectively F. L. Leland, deceased, and E. F. Carry, resigned. At a subsequent meeting of directors, Seward Prosser and James Alexander were elected to succeed directors W. E. Roosevelt and W. J. Matheson.—V. 103, p. 1301, 1031.

**Cities Service Co., New York.—Pref. Stock Offering.**

Montgomery, Clothier & Tyler and Kissel, Kinnicutt & Co. are offering for public subscription at \$93 per share \$8,000,000 6% cumulative (not redeemable) pref. stock of the Cities Service Co. This stock is preferred both as to assets and dividends. Dividends payable on the first of each month. The bankers say:

The earnings from the public utility properties alone are equivalent to approximately twice the dividend charges on the total issue of preferred stock now outstanding. From a nucleus of three subsidiaries the development of the company has been such that it now controls over 80 operating companies, situated in 22 States of the United States and the Dominion of Canada. The total population of the 200 communities served is now over 2,000,000 and has increased more than 40% between the last two census periods. The combined gross earnings of this group of properties exceeds \$35,000,000 per annum.

In connection with the development of its natural gas supply, Cities Service Co. has become the owner of exceedingly valuable oil properties. In Kansas there are over 22,000 acres of proven oil land with a production capacity in excess of 50,000 barrels per day. The company also controls producing oil lands in Oklahoma as well as considerable acreage in both Oklahoma and Kansas yet to be developed.

Development of the oil leases has progressed rapidly since the first of the year, but due to restricted pipe line facilities and market conditions, the earning power of this branch of the company's business has to date been reflected only to a limited extent in the company's earnings. All indications, however, point to greatly increased earnings from these properties in the near future.

The earnings from the oil properties form an additional factor of safety and though large at present, it is confidently expected they will assume much greater proportions in the future.

It is estimated that the provision concerning cash dividends on the common stock to be embodied in the charter (see V. 103, p. 1301) will at the present rate of earnings place an additional equity of 100% of the face value of the issue or \$55,791,000 in the property within seven years.

The company is conservatively financed, has practically no funded debt and no floating indebtedness. At present market values the common stock places an equity junior to this issue of approximately \$68,000,000.

Capitalization (showg. amt. to be presently outstdg.)	Authorized.	Presently.
Convertible 5% gold bonds		\$90,000
Preferred stock 6% cumulative	\$60,000,000	55,791,000
Common stock	40,000,000	21,651,000

**Earning Statement for 12 Months ending Aug. 31 1915.\***

Company's proportion of earnings of subsidiary companies, \$10,982,255; less company's expenses, \$250,000; net, \$10,732,255

Preferred dividends, 6% on \$55,791,000 stock, now to be outstdg. 3,347,464

Net to com. stock (6% calling for \$1,299,068) \$7,384,791

\*The figures include 12 months' earnings of all properties (now controlled) applicable to sinking funds of subsidiary companies and dividends to the Cities Service Co.

This stock will be issued in connection with the acquisition of the stock of Crew Levick Co. of Penn. and other refining companies.

**Oil Properties.—Henry L. Doherty & Co. report in subst:**

The Producers Refining Co., Cushing Refining Co., Ponca Refining Co. and Ponca Lubricating Co., just acquired, comprise the so-called Evans-Thwing group, regarded as excellent oil revenue producers.

The Producers Refining Co. at Gainesville, Tex., receives its supply of oil through a 52 mile eight-inch pipe line, from the Healdton pool, in Ok. The Cushing company gets its oil from the Cushing field sending any surplus through a four-inch line to the Ponca City plants. The Ponca Refining Co. and Ponca Lubricating Co. secure oil from the Ponca pool and also from the Mervine field, 17 miles away, as well as the Cushing field.

These properties own about 540 tank cars of 8,000 gallons each, and have orders placed for many additional. The total tankage capacity of the refineries is about 900,000 bbls. The Producers company, the largest of the plants, markets its gasoline through distributing stations in 42 cities and towns of Tex., among which are San Antonio, Dallas, Austin, Fort Worth, Waco and Paris.

The Ponca Lubricating Co. refines the crude through the lubricating oils, while the other plants confine themselves largely to the extraction of gasoline, selling the remaining fuel oil, for which ready markets have been at all times available.—V. 103, p. 1301, 1117.

**Concord & Montreal RR.—Proposal Approved.**

Shareholders on Oct. 10 unanimously voted to support the position of the directors in the matter of the proposed reorganization of the Boston & Maine RR., to which company this property is leased. It was voted (a) to commend the action of the directors in preserving the rights and integrity of the railroad, and assure them of support in any action they may take to conserve these ends; (b) to declare our willingness to approve independent action on the part of the company, if necessary, the better to protect such fundamental rights and integrity; and (c) to declare our belief in the great value of our property and our determination to preserve the interests and rights of the State as well as our own.—V. 103, p. 1031, 577.

**Erie RR.—New Mortgage.—The shareholders will vote**

Dec. 1 1916 on authorizing a Refunding and Improvement Mortgage to be limited to \$500,000,000, such action to supersede the authorization in Oct. 1914 of a Refunding and Improvement mortgage limited to three times the amount of capital stock at any time outstanding.

**Digest of Circular Signed by Secretary David Bosman, Sept. 25 1916.**

The board of directors has authorized the making of a Refunding and Improvement Mortgage covering all of the company's railroads, property and franchises to secure not exceeding \$500,000,000, bonds to be issuable in series, each series dated on or after Dec. 1 1916, to bear such rate of interest, to mature on such date as therein shall be stated not later than Dec. 1 2000, and to be payable, principal and (or) interest in U. S. gold coin and (or) in foreign currency, all as may be determined by the board and auth. in such mtg.

The action now proposed is to supersede the vote of the stockholders at the special meeting held Oct. 13 1914, upon which, owing to conditions then and for a time thereafter prevailing, it was considered inadvisable to proceed. Now, financial conditions generally having improved and the condition of the company having substantially bettered, the directors deem it opportune to make comprehensive provisions for the future requirements of the company through the authorization of serial mortgage bonds for an adequate amount as now proposed.

The mortgage now proposed is intended to make provision for the payment of all prior or underlying mortgage bonds (of which \$31,531,500 will mature prior to 1922), and of the equipment trust obligations payable in varying amounts from year to year, and also for obtaining moneys from time to time for future capital expenditures for add'ns, impts. & betterments.

Such comprehensive arrangement for capital requirements may be expected to inure to the company's advantage in providing a standard form of security which could be utilized from time to time as required during a long period, constituting an extremely desirable method of financing. With the expected development of a satisfactory market for the bonds, the company will thus be in a position where, if deemed advantageous, from time to time, it may finance further capital expenditures with bonds generally uniform in character.

During recent years, owing to the comparatively unfavorable security market, the company has been obliged to devote substantially all its current income to expenditures for capital purposes, including additions and improvements, which naturally would be met from the issue of new securities. Since Oct. 1914 the company's earnings have shown substantial increases, as a result of the policy of increasing traffic facilities adopted in 1903.

During the cal. year 1915 the net income showed an increase of \$6,471,428 over the preceding calendar year, and during the 7 months ended



July 1916 net income similarly has increased \$1,821,111 over the same months of the preceding year. These surplus earnings have been devoted in large part to improvements, and in part to retirement of prior debt which normally would be provided for by the issuance of capital obligations. Such expenditures for such purposes since Oct. 1 1914 to July 1 1916 have amounted approximately to \$9,000,000.—V. 103, p. 1032.

**Grand Trunk Railway.—Dividend Resumption on First Pref. Stock Nov. 1.**—An adv., dated Sept. 29, announces the resumption of dividends on the £3,420,000 First Pref. stock after an interval of 2½ years. The adv. says:

The Transfer Books of the company, so far as regards the 4% Guaranteed Stock and the First Preferred Stock, will be closed from the 10th of October, to the 1st of November 1916, both days inclusive. Warrants for the dividends for the half-year to the 30th June 1916, will be forwarded on the 1st November next to all proprietors of these stocks registered on the books on the 10th Oct. 1916.—V. 103, p. 1301.

#### Great Northern Ry.—Directors.—Report.—

At the annual stockholders' meeting the board of directors was increased from nine to twelve members. W. P. Kenney, Vice-Pres. in Charge of Traffic; E. C. Lindley (who was also elected Vice-Pres. & Gen. Counsel, succeeding R. A. Jackson, resigned), and A. D. Thomson, a Duluth grain man, were elected additional directors; and F. E. Weyerhaeuser was elected a director to fill the vacancy caused by the death of James J. Hill.

See results for late fiscal year on a preceding page.—V. 103, p. 938, 145.

#### Gulf & Ship Island RR.—Earnings for Fiscal Years.—

June 30 Years.	1915-16.	1914-15.		1915-16.	1914-15.
Gross earnings	\$1,964,177	\$1,633,006	Gross income	\$755,459	\$461,072
Net, aft. taxes	\$738,477	\$429,584	Int., &c., chgs	341,443	340,069
Other income	16,982	31,488	Balance, surp.	\$414,016	\$121,003
—V. 103, p. 406.					

—V. 103, p. 406.

#### Hudson & Manhattan RR.—Compromise Agreement.—

This company has reached an agreement with its trainmen, averting a threatened strike, by which the men recently discharged for joining the Brotherhood of Railway Trainmen, are reinstated. It is stated that this action is not to be taken as official recognition of the Brotherhood.—V. 103, p. 938.

#### Milwaukee Electric Ry. & Light Co.—Bonds Offered.—

Harris, Forbes & Co., and Spencer Trask & Co., N. Y., the Harris Trust & Savings Bank, Chicago, and Harris, Forbes & Co., Inc., and Coffin & Burr, Inc., each of Boston, are offering, at 94½ and interest, approximately \$500,000 General & Refunding 5% bonds due Dec. 1 1951, making amount outstanding approximately \$5,805,000. See description of issue in V. 93, p. 1787.—V. 103, p. 493.

**Missouri Pacific Railway.—Note Extension.**—In accordance with the terms of the guaranty and agreement of extension attached to Three-Year Secured Notes of 1911 (total outstanding, \$24,773,000), and with the approval of the Court entered Sept. 30 1916, the receiver, B. F. Bush, has elected that the time for the payment of the principal of all such notes heretofore extended and guaranteed, be further extended, on the conditions stated in court order dated May 13 1916 to June 1 1917, subject to the right of anticipating payment, as stated in V. 102, p. 1896.

The plan of reorganization is now before the Missouri Public Service Commission.—V. 103, p. 1119, 939.

#### Nashville Chattanooga & St. Louis Ry.—Earnings.—

Nashville Chattanooga & St. Louis Ry.—Earnings.					
June 30 Yrs.	1915-16.	1914-15.	1915-16.	1914-15.	
Gross earnings	\$12,670,688	\$10,936,533	Gross inc.—	\$3,642,860	\$2,047,577
Net, aft. tax.	2,926,956	1,516,614	Int., rent., &c.	1,305,342	1,222,955
Other inc.—	715,904	530,963	Divs.— (6½)	1,039,532	(5) 799,226
Gross inc.—	\$3,642,860	\$2,047,577	Bal., surp.—	\$1,297,986	\$25,397
—V. 103. p. 1301.	239.				

—V. 103, p. 1301, 239.

#### Northern Electric Ry., Cal.—Foreclosure Proceedings.—

The Mercantile Trust Co. of San Francisco, as trustee, it is announced, will apply to the U. S. District Court for leave to institute foreclosure proceedings on behalf of the holders of the First Mtge. 5% bonds of the Sacramento & Woodland Ry. (\$750,000 outstanding), the Marysville & Colusa Ry. (\$750,000 outstanding), and the Northern Electric Co. (\$3,784,000 outstanding). The reorganization committee, it is stated, has decided that this foreclosure is necessary in order to overcome the opposition of certain noteholders and the holders of junior bonds. See V. 103, p. 1210.

#### Northern Ohio Traction & Light Co.—Bonds Offered.—

The National City Co., New York, is offering, by adv. on another page, \$4,000,000 First Lien & Refunding Mtge. 5% gold bonds dated Aug. 1 1916, due Aug. 1 1956, Interest F. & A. in New York or Cleveland. A detailed description of this issue will be found in V. 103, p. 1210, 1302.

#### Ottumwa Ry. & Light Co.—Bonds Offered.—

Fox, Hoyt & Co., Milwaukee, Wis., are offering at 97½ and int., to yield 5.40%, a block of First & Refunding Mortgage 5% gold bonds, dated Jan. 1 1906, due Jan. 1 1924.

These bonds are part of an issue limited to \$1,500,000 of which \$1,063,000 is outstanding, \$73,000 has been retired through sinking fund, and \$86,000 is held in escrow for improvements, &c. For additional data see V. 82, p. 1213; V. 99, p. 675.

#### Pacific Gas & Electric Co.—Earnings.—

The company reports as follows for the periods ending Aug. 31:

Earnings—	—8 Mos. to Aug. 31—	—12 Mos. to Aug. 31—	—8 Mos. to Aug. 31—	—12 Mos. to Aug. 31—
	1916.	1915.	1916.	1915.
Gross operat. revenue	\$12,228,209*	\$12,165,071	\$18,593,438†	\$17,989,092
Net operating revenue	\$5,071,855	\$5,187,264	\$7,829,300	\$7,664,533
Non-oper. revenue (net)	308,165	234,494	487,550	344,959
Total net income	\$5,380,020	\$5,421,757	\$8,316,850	\$8,009,492
Bond and note interest	2,588,544	2,677,661	3,898,677	4,024,756
Bond & note discount & expense (apportion't)	115,153	105,522	170,341	268,004
Surplus	\$2,676,023	\$2,638,574	\$4,247,833	\$3,716,732
Pref. divs. accr. 12 mos.	918,584	728,924	1,279,221	943,907
Balance	\$1,757,439	\$1,909,650	\$2,968,611	\$2,772,825

\* Includes \$268,062 derived directly from Panama Pacific Exposition.

† Includes \$277,998 from Exposition.—V. 103, p. 1211, 939.

#### Pacific Great Eastern Ry.—Fifth Annual Statement.—

At the annual meeting in Victoria, B. C., Sept. 20 1916, Chairman J. W. Stewart said in substance:

**Progress of Construction.**—Under the pall of the greatest war in history it has been impossible to accomplish more than a small percentage of the work remaining to be done at the close of the last fiscal year.

Early in 1912 the company agreed with the Province of British Columbia to complete the line from Vancouver to Fort George (now Prince George) by July 1 1913. Requisite progress was not made and it was seen that more time would be required, and the Government accordingly, in 1914, increased the amount of its assistance.

**Financial Assistance by Government.**—In 1912 the Government guaranteed securities to the extent of \$35,000 per mile for 450 miles of line in 1914, this guarantee was extended over the entire mileage of 480 miles, and additional securities to the extent of \$7,000 per mile were guaranteed making a total of \$42,000 per mile for 480 miles of railway, amounting to \$20,160,000 (£4,142,522). Of these securities, \$14,234,805 (£2,925,000) were sold and the balance \$5,925,195 (£1,217,522) pledged to secure a loan of \$4,800,000, prior to the date of our last annual meeting.

**Loan.**—During the spring of this year your directors presented the status of the undertaking to the Government, who brought down before the Legislative Assembly an important measure of relief which was enacted into law, authorizing the Minister of Finance of the Province to loan \$6,000,000 at the actual cost to the Government of obtaining same and repayable at or before the expiration of ten years. The funds thus provided will enable the completion of the line between Squamish at the head of navigation, Howe Sound and Prince George, where connection will be made with the transcontinental line of the Grand Trunk Pacific Ry.

**Obstacles.**—**Outlook.**—The summons of patriotism to service overseas has been so obeyed that it is now impossible adequately to man the work, and the difficulty experienced in obtaining track and bridge material is another militating factor in determining the time required to complete your line of railway.

The settler is beseeching us to hasten the completion of the railway to enable him to get onto the land; the forests and mines are crying out to us to move their abundant products to market; and the teeming plains of the northland are groaning for deliverance. Abundant traffic is in prospect waiting upon the completion of the line whose need becomes daily more urgent. It therefore behooves us to continue our earnest efforts to that end.—V. 102, p. 2255.

#### Pine Bluff Co., Pine Bluff, Ark.—Registrar.—

The Bankers Trust Co., N. Y., has been appointed registrar for 6,000 shares of 7% cumulative preferred (par \$100) and 6,000 shares of common stock (par \$100) of the co. See details of stock, &c., V. 103, p. 1211, 1119.

#### Russian-American Ry. Securities Corp.—New Project.—

This company was incorporated at Albany on Oct. 6 with a capital stock of \$200,000 for the purpose of handling foreign business in railway equipment, &c. Newman Erb, late President of the Minneapolis & St. Louis RR. heads the new company.

#### St. Louis & San Francisco RR.—Report—Plan.—

See "Annual Reports" on a preceding page. The authorization of the Kansas P. S. Commission for the company to issue \$264,400,000 in stocks and bonds is stated to be the last step preliminary to the termination of the receivership. It is planned to turn the property over to the reorganized company by Nov. 1. It is also expected that the new securities will be distributed abt. first week in Nov.—V. 103, p. 1211.

#### Southern Railway.—Dividend Delayed.—

See "Annual Reports" on a previous page.—V. 103, p. 666, 580.

#### Tennessee Central RR.—Ordered Sold.—

This property was, on Oct. 9, ordered sold at an upset price of \$1,250,000, by Judge E. T. Sanford in the U. S. Dist. Court of Knoxville, Tenn., the sale to be subject to the \$4,014,000 Prior Lien Mortgage of 1904.

Sixty days will be allowed for the filing of bids. The purchasers will assume all obligations and prior claims, including many damage suits for personal injury, &c., which, it is stated, amount to over \$300,000.

For the year ended June 30 1916 the receiver reports: Gross operating revenues, \$1,619,238, an increase, compared with the previous year, of \$137,833, or 9.30%. Operating ratio, 78.92%, as against 85.02%. Net operating revenue, \$341,279, an increase of \$119,438, or 53.81%. Gross income was \$291,279, an increase of \$122,217, or 72.29%.

The deficit for the year was \$512,248, a decrease of \$121,654, or 19.19%, as compared with previous year.

Paul Roberts, one of a committee, appointed by the city of Nashville to investigate the company's status in the interest of a million dollar stock investment in the property by the city, is quoted as stating on expert authority, that \$1,000,000 will be required within the next two or three years, starting perhaps, with \$500,000, to rehabilitate the property and provide the necessary rolling stock.—V. 103, p. 1119, 939.

#### Toledo Bowling Green & Southern Trac. Co.—Bonds.

The Ohio P. U. Commission recently authorized this company to issue \$241,500 First Mtge. 5% bonds to be used for improvements, and the discharge of obligations, making a total of \$1,260,000 out.—V. 100, p. 310.

#### United Rys. & Electric Co., Balt.—Wages Increased.—

Beginning Oct. 1 a new schedule of wages for motormen and conductors was put into effect, the new rates being, for men one year in the service 24 cents per hour, more than one and less than two years, 25 cents; more than two and less than three, 26 cents; more than three and less than five years, 27 cents; and all employees of over five years service will be paid 28 cents per hour.—V. 103, p. 146.

#### United Traction Co. (Albany, N. Y.).—Strike Ended.—

The carmen's strike which stopped street car traffic in Albany, Rensselaer, Troy, Cohoes, Watervliet, Green Island and Waterford on Oct. 2 and 3, was settled on Oct. 4, the union men and the company agreeing to submit to arbitration the points at issue.—V. 101, p. 616.

#### Wheeling & Lake Erie RR.—Certificates Listed.—

The New York Stock Exchange has authorized the listing, upon official notice of issuance, in exchange for the outstanding first pref., second pref. and common stocks, of Central Trust Co. of New York Certificates of Deposit for \$4,986,900 First pref. stock, \$11,933,500 second pref. stock and \$20,000,000 common stock. Also \$11,697,000 Central Trust Co. of New York Certificates of Deposit for First Consolidated Mortgage 4% bonds, due 1949.—V. 103, p. 1299, 1211.

### INDUSTRIAL AND MISCELLANEOUS.

#### Abbott Corporation, Automobile Mfrs., Cleveland.—

**Pref. Stock Offered.**—The H. W. Ritter Co., Cleveland, Ohio, is offering at par and div., the unsold portion of the \$250,000 7% cumulative preferred stock (par \$10). Divs. Q-J. To be exempt from taxes in State of Ohio. A circular shows:

**Status.**—The financial statement of Aug. 31 1916, adjusted to reflect the completion of the present financing, shows net tangible assets, exclusive of patents and good will, of \$989,163, or \$37 65 per share of the preferred stock, and net quick assets of \$844,022, or \$33 76 per share of pref. stock. No stock has been issued for patents, good-will, or anything of the kind.

#### Capitalization (No bonds or Mortgage.)

Preferred stock (this issue)	\$250,000
Common stock	800,000
Common stock, reserved in treasury for future expansion	200,000

**Pref. Stock Provisions.**—The company may retire any or all at \$11 per share at any dividend period on 60 days' notice, but beginning Jan. 1 1919 must retire yearly at or below \$11 (5%) of the highest amount at any time outstanding. On liquidation or dissolution must receive \$11 per share, plus dividend before the common receives anything. In case of default on one year's pref. dividend after Jan. 1 1918, or should the net quick assets fall below \$12 50 for each pref. share, the pref. and common stock will vote alike. Additional preferred stock or mortgage cannot be placed without the consent of 75% of the outstanding pref. stock. A fund of \$18,000 is to be maintained for sole purpose of assuring pref. dividends.

#### Data from Letter of Pres. Guy W. Morgan.

The company will move the entire plant, &c., to Cleveland from Detroit, as soon as building is completed. The new building will have about 75,000 ft. of floor space, which will care for a yearly production of about 8,000 cars. The 1916 production is entirely sold and contracts are being made for a minimum production in 1917 of 4,000 cars, embracing seven passenger touring cars, four passenger roadsters, motor coaches, cabriolets, sedans,



&c. We use six-cylinder Continental motors, Remy ignition, &c. Expected net profit per car \$125.

The parts business on old cars amounts to about \$100,000 per annum and returns a net profit of about \$40,000 or more.

Only a very small portion of the capital is invested in plant equipment, the major portion being used in purchasing various parts, such as motors, axles, rims, springs, frames, bodies, transmissions, tires, &c., in sufficient quantities as to obtain lowest possible prices and prevent delays in assembling. It is planned to maintain a 60 days' supply of the larger parts at all times.

**Officers.**—Guy W. Morgan, Pres., M. J. Hammers, Vice-Pres., F. C. Hull, 2nd Vice-Pres., R. P. Hull, Treas.; Amos W. Gardiner, Secy.

#### American-Hawaiian Steamship Co.—Dividend.—

The "Boston News Bureau" of recent date says in brief:

Stockholders have just come happily by a dividend of \$50 per share [on the \$2,500,000 capital stock, par \$100], against \$2½ quarterly, previously paid. This company has always been successful, and has a really wonderful fleet. Since the war the value of its stock has risen by leaps and bounds; it has lately ranged around \$1,000 per share (\$100 par). The company owns 22 splendidly-built cargo boats, of over 225,000 tons' capacity, nearly all of which are now in tramp service at high charter rates. It is understood that the company is earning \$25,000,000 per annum, and has recently had \$15,000,000 cash.—V. 99, p. 469.

#### American Hide & Leather Co.—No New Plan Yet.—

E. F. Hutton & Co., contrary to a recent report, we are informed, have not drawn up a tentative plan for the readjustment of the capitalization, distinct from that announced by Swartwout & Appenzeller though it is understood some changes in the terms of the latter plan may have been tentatively suggested.—V. 103, p. 940, 753.

#### American Shipbuilding Co., Cleveland.—Earnings.—

The total income, including the subsidiary companies, for the year ending June 30 1916 was \$1,808,770, and the net profits \$579,307.—V. 102, p. 1434.

#### Armour & Co., Chicago.—Capital Stock Increase.—

Announcement was made in Chicago Oct. 9 that at the next meeting of the directors, consideration would be given to increasing the authorized capitalization from \$20,000,000 to \$100,000,000 by converting a portion of accumulated surplus into capital. Accordingly, the stockholders, for each share held, will, it is understood, receive four additional shares, but the annual dividend, payable in January, it appears, is to be proportionately reduced, i. e., from 10% to 2%. An officer of the company writes:

The stock is held entirely by members of the Armour family and their heirs [it is said by not over 15 persons.—Ed.], and the additional stock now being issued is simply the conversion of the surplus into stock as the business stood on Nov. 1 1912. There are no rights, as no additional returns to the stockholders are contemplated by this change, that is, no increased disbursements by the co. for dividends are considered in this plan.

**Statement Made in Chicago, Oct. 9, by President R. J. Dunham.**

The present capitalization is that which was adopted at the time of the organization of the business in the form of a corporation in 1900. Due to the greatly increased volume of business which Armour & Co. are transacting to-day over that at its organization, consideration will be given to making its capitalization such as to more accurately exhibit its present value by the conversion of a portion of its surplus into capital.

This surplus was earned during the period from 1901 to 1912, during which time but few divs. were paid and practically all of the earnings were allowed to remain in the business and were re-invested in plant extension.

[The total surplus representing the accumulations since organization, was \$80,195,013 on Oct. 30 1912 and \$98,733,116 on Oct. 30 1915.]—V. 103, p. 409.

#### Autosales Gum & Chocolate Co.—Earnings.—

	—Month of June—		—6 Months to June 30—	
	1916.	1915.	1916.	1915.
Gross collections.....	\$164,607	\$121,898	\$833,042	\$752,864
Operating expenses.....	143,429	106,846	728,959	659,035
Operating income.....	\$21,178	\$15,052	\$104,084	\$93,829
Administration expenses..	14,397	4,571	31,451	45,158
Balance.....	\$6,781	\$10,481	\$72,633	\$48,671
Other income.....	503	474	2,593	2,309
Total income.....	\$7,284	\$10,955	\$75,226	\$50,980

—V. 102, p. 253.

#### Boston Belting Co.—Merger Denied.—

See (B. F.) Goodrich Co. below.—V. 100, p. 143.

#### Braden Copper Co.—Output in Pounds (000 Omitted).—

Produc. (lbs.)	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
In 1916.....	4,556	2,842	5,406	4,166	3,882	2,258	2,760	2,616	2,970
In 1915.....	2,586	2,728	2,522	2,496	2,364	2,542	2,890	2,858	3,222

The total production for the 9 mos. to Sept. 30 1916 was 31,456,000 lbs., against 24,208,000 for the same period in 1915.—V. 103, p. 581, 146.

#### California Petroleum Corp., Los Angeles.—Status.—

A published statement approved says in substance:

**Earnings of Company and Subsidiaries for August 1916, and 8 mos to Aug. 31.**

Net Earnings Before Deducting Depreciation—	1916.	Increase.
Month of August.....	\$139,889	\$68,024
Eight months ending Aug. 31.....	842,374	55,339

During the first six months of 1916 the corporation received an average of about 40c. a bbl. for crude oil due to old contract prices. During the second half of the year it is expected it will average 50c. per bbl.

The general oil situation in Cal. is improving, shipments now running in excess of production. The total crude oil stock in Cal. on hand on Aug. 31 was reported as 49,718,180 bbls., against 55,722,399 on Jan. 1 1916.

An advance of 5c. per barrel was announced by the Standard Oil of Cal. in Sept., bringing the present price of crude up to about 68c. per barrel. On July 31 last the corporation and its subsidiaries reported current assets of \$1,334,509 and current liabilities of but \$137,512. Current assets included approximately \$414,000 representing oil in storage, which was carried at a price of about 35c. per bbl., which is considerably below the market price. There are now 4½% back dividends on the preferred stock.

Production during the current year to Aug. 1 has been running somewhat under that of the corresponding period a year ago. [The company has arranged to acquire leasehold interest in Bell Ranch property]—V. 103, p. 581.

#### Central & South American Telegraph Co.—Earnings.—

Earnings (Partly Estimated)	—3 Mos. to Sept. 30—		—9 Mos. to Sept. 30—	
	1916.	1915.	1916.	1915.
Total income.....	\$725,000	\$687,000	\$2,300,000	\$1,977,000
Net income.....	\$525,000	\$528,250	\$1,733,500	\$1,499,500
Dividends.....	(1½%) 143,565	(1½%) 143,565	(4½%) 430,695	(4½%) 430,695

Balance, surplus..... \$381,435 \$384,685 \$1,302,805 \$1,068,805  
—V. 102, p. 1164.

#### Charcoal Iron Co.—Initial and Accumulated Divs.—

This company has declared an initial dividend of 3% on the \$5,217,250 6% cumulative preferred stock, payable in three installments of 1% each, Oct. 31, Nov. 30 and Dec. 31, to shareholders of record Oct. 15, Nov. 15 and Dec. 15, respectively. The directors announced their intention of paying off by April 1 next the entire 10½% back dividends on the preferred issue.—V. 103, p. 1120, 846.

#### Cincinnati Gas & Elec. Co.—Listed—Official Statement.

**—Rates.**—This company's outstanding issue of \$4,500,000 First & Refunding Mtge. 5s has recently been listed on the N. Y. Stock Exchange. The official statement made to the Exchange regarding this issue and the property on which it is based will be found on subsequent pages. The very full

statement made to the Exchange by the Columbia Gas & Electric Co., which operates the Cincinnati Gas & Electric Co. under lease was given last week, p. 1324. Compare bond offering, V. 102, p. 1438, 1542.

The Cincinnati City Council on Oct. 4 by a vote of 20 to 4 passed an ordinance fixing the gas rate for private consumers at 35 cents per M. cu. ft., with a minimum monthly charge of 35 cents for a period of 5 years from Nov. 4 1916. The old rate had been 30 cts. per M. cu. ft.—V. 103, p. 1033, 581.

#### Columbia Gas & Electric Co.—Sub. Co. Rates.—

See Cincinnati Gas & Electric Co. above.—V. 103, p. 1304, 1213.

#### Eastman Kodak Co., Rochester.—Extra Common Div.—

An extra dividend of 5% has been declared on the \$19,532,800 common stock, payable Nov. 15 to holders of record Oct. 25. This compares with an extra div. of 7½% in July last.—V. 102, p. 1900.

#### Federal Telephone & Telegraph Co., Buffalo, N. Y.—

The Buffalo City Council on Sept. 29 approved the merger of this company and the New York Telephone Co., to take effect under an amended form of agreement between the city and the company. See V. 103, p. 1213, 1121.

#### Fisher Body Corp.—Initial Dividend.—

An initial quarterly dividend of 1¼% has been declared on the pref. stock, payable Nov. 1 to holders of record Oct. 17.—V. 103, p. 760, 581.

#### General American Tank Car Corporation.—Sale of

**First Pref. Stock.**—Charles D. Barney & Co. have sold their entire block of \$2,000,000 of 7% Cumulative First Pref. Stock, but an advertisement of the offering, published for record purposes, will be found on another page. Total issue authorized and outstanding, \$2,500,000, with preference over \$1,000,000 7% cum. 2d pref.; also 50,000 shares of common stock (with no par value).

At the present time the company controls and operates about 4,200 railroad tank cars, and the manufacturing department is building cars at the rate of 15 cars per day. Net quick assets as of April 30 1916 were reported as \$3,767,808, equal to 1½ times the par value of the First Pref. stock. For the 6 mos. ending June 30 1916 the company reported net earnings available for dividends of \$432,090. Based on these figures for the current fiscal year, the First Pref. dividend will be earned five times over, and there will remain after preferred dividends a sum equal to \$12 per share on the common stock. See President's letter of June 29, with earnings, balance sheet, &c., in V. 103, p. 147, 1121.

#### General Petroleum Corp., San Francisco.—Sale of

**Bonds and Three-Year Participation Certificates.**—See General Pipe Line Co. of California below.—V. 103, p. 1305, 1121.

#### General Pipe Line Co. of Calif., San Francisco.—Sale

**of Securities.—Earnings.**—A syndicate, of which Blyth, Witter & Co. of San Francisco, are managers, has purchased and will shortly offer \$4,000,000 of the 1st (closed) mtge. \$4,500,000 6% bonds of 1912, due Jan. 1 1925 (V. 94, p. 1568).

Bonds callable at 105, and, for sinking fund, at 102½. Annual sinking fund is \$337,000. Secured by a first mtge. on the property, estimated to have cost \$4,800,000, and having a present value considerably in excess of that figure. Additionally secured by a second mortgage on the property of the General Petroleum Corporation, subject only to a first mortgage of \$1,400,000, which, it is said, will probably be retired within a year, leaving the pipe line bonds a first lien on all the property of the two companies, valued at more than \$18,000,000.

**Combined Net Earnings of General Pipe Line Co. and Income of Gen. Petroleum Co. (after Deducting Latter's Int. & Sinking Fund Charges)**

	1913.	1914.	1915.	1916(6mo.)
Total net (after taxes, &c.) available for Pipe Line bonds.....	\$1,033,290	\$1,420,044	\$1,963,326	\$1,264,183
Int. on \$4,500,000 1st M. bonds of Pipe Line Co.	270,000	270,000	270,000	135,000

Bal. for sinking funds and depreciation.... \$763,290 \$1,150,044 \$1,693,326 \$1,129,183

**Circular to Members of Syndicate.**—A circular recently issued by Tucker, Anthony & Co., says in substance:

With the consummation of the plan whereby your bonds became a lien upon the property of the General Petroleum Corporation and that company purchased the Class A stock of the General Pipe Line Corporation, issuing therefor its 3-year serial notes (V. 103, p. 1305, 1121, 324; V. 102, p. 889, 1165, 2079), we, acting with the associate bankers of the General Pipe Line Syndicate, have realized the desirability of creating a ready market for both your bonds and three-year participation certificates.

We have now received from a strong banking syndicate in California a definite offer of 92½ and int. for the \$4,000,000 bonds of the General Pipe Line Co. of California, purchased by the syndicate, and of 100 and int. for approximately \$200,000 participation certificates, representing the purchase price of the Class A stock. This offer is predicated upon its acceptance by the holders of not less than \$3,500,000 of bonds on or before Oct. 5 1916, and an agreement on the part of the holders of bonds not sold under this offer that such bonds will be absolutely withdrawn from the market for a period of six months from Oct. 5 1916. No commission is being received by the bankers in this transaction.

[The aforesaid participation certificates are issued by the Columbia Trust Co. under declaration of trust dated Aug. 24 1916, and evidencing beneficial interest in a \$200,000 6% note of the General Petroleum Corporation which is due in three equal annual installments, as stated in plan.—V. 102, p. 889.]

#### (B. F.) Goodrich Co.—Merger Rumor Denied.—

In connection with a report that this company would take over the Boston Belting Co., Pres. Forsyth of the Boston company is quoted as follows. There is absolutely no foundation for any report that the Boston Belting Co. has been sold to the B. F. Goodrich Co. or any other interests, or that there are any present negotiations with that end in view. The business of the company is excellent, with earnings at the rate of \$10 to \$12 a share per annum, the best showing for over a decade.—V. 103, p. 410.

#### Greene-Cananea Copper Co.—Output (\$000 Omitted).—

All in 1916—	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
*Copper (lbs.).....	3,348	5,180	5,388	5,348	5,948	4,500	4,600	5,000	4,900
*Silver (oz.).....	114	182	201	206	184	129	117	144	153
Gold (oz.).....	716	984	1,146	1,193	1,199	800	745	862	814

—V. 102, p. 2339.

#### Harroun Motors Corp.—New Project.—O. E. Chaney &

Co., New York, are offering at \$5 per share a limited amount of the \$10,000,000 capital stock, par \$10. A circular shows:

The stock is fully paid and non-assessable. There are no bonds or preferred stock. [The company was incorporated in Del. on Sept. 14 1916.]

**Plant.**—At Wayne, Mich. near Detroit. The plant has about 80,000 feet of floor space and occupies the forty-acre site, recently acquired.

The market price of the new car compares as follows with competitive makes: Maxwell, \$595; Overland, \$635; Dodge, \$785; Harroun, \$595.

**Directors and Officers.**—John Guy Monihan, Pres. & Gen. Mgr., (formerly Vice-Pres. & Gen. Mgr., Marion Motor Co.; Director of Sales of Cole Motor Co. and Premier Mfg. Co.); Ray Harroun, Vice-Pres. & Chief Engineer (formerly Chief Engineer, Maxwell Motor Co. and Nordyke, Marmon Co.); F. A. Volbrecht, Director of Finance (formerly Sec.-Treas. & Gen. Mgr., King Motor Co., Pres., Newell Wheel Co.); George G. Worthley, Treas. (formerly Pres. & Treas., the Fairbanks (Scale) Co.); Lewis Hopkins Rogers, Sec. & General Counsel; John J. Plath, Director of Merchandising (formerly Gen. Sales Mgr., Maxwell Motor Co.); R. Ward Macy, Sales Mgr.



(formerly Sales Mgr., Premier Motor Mfg. Co.; also with the Ford and Franklin Companies); Paul Hale Bruske, Advertising Mgr. (formerly Advertising Manager, Maxwell Motor Co. and Studebaker Corp.).

**(The) Howe Scale Co., Rutland, Vt.—Stock Offered.**—McBee, Jones & Co., N. Y., are offering, at 99 and div., \$1,000,000 7% cumulative pref. (p. & d.) stock (par \$100), callable at \$120 and dividends. A circular shows:

Capitalization, \$1,000,000 pref. stock (this issue) and \$1,000,000 com. stock (par \$100). No bonds. A Vermont corporation, organized in 1857. Manufactures scales and baggage trucks. Has paid dividends uninterruptedly since 1888, and put back into the property from earnings about \$1,700,000. Earnings prior to depreciation charges: In 1911, \$123,765; in 1912, \$162,522; in 1913, \$145,007; in 1914, \$78,156; and in 1915, \$162,730. John A. Mead is President.

**International Cotton Mills.—Old Properties Sale.**—See Mt. Vernon-Woodberry Mills below.—V. 103, p. 760.

**International Mercantile Marine.—Permanent Engraved Certificates Available.**—Notice has recently been given to the effect that, inasmuch as the plan of readjustment of the debt has been consummated, holders of certificates of deposit for preferred and for common stock, will, upon presentation at the depositaries, be entitled to receive permanent engraved certificates. The notice to the bondholders was published last week. See p. 1305.

Judge Hough of the U. S. District Court in N. Y. City on Oct. 6 in discharging P. A. S. Franklin as receiver, said in part: "The refitting of the few steamers which in early 1915 flew the American flag and belonged to the defendant, his pressure for increased freight tonnage and the use of the cash at his command to purchase a part of the Pacific Mail fleet have resulted in profits hitherto unknown in my acquaintance with receivership proceedings." Compare V. 103, p. 1305, 1214.

**International Motor Co.—Plan dated Oct. 2 1916.**—The stockholders' committee named below has issued its formal plan, dated Oct. 2, and also a circular explaining the option to subscribe for \$1,500,000 new First Pref. stock.

**Digest of Plan of Reorganization dated Oct. 2 1916.**

**Present Outstanding Capitalization (Including All Bonds, Mortgages, or Other Liens.)**

Preferred stock	\$3,600,000
Common stock	5,628,125
A, B and C notes with accum. int. maturing Nov. 1 1916	2,881,560
Current indebtedness for merchandise, accrued commission accounts, &c. (which is offset by bills and accounts rec.) abt.	1,030,000
Bank loan (secured by bills receivable which will pay account as they are liquidated)	161,050
Outstanding bonds made by the Q. M. S. Co. and secured by a mortgage upon the plant at Plainfield purchased by the Saurer Motor Co., a subsidiary of the Internat. Motor Co.	33,000
Mortgage on real property occupied as a branch in Newark, N. J.	6,500

**Approximate Capitalization of Proposed New Corporation.**

7% cumulative First Preferred stock with preference over all other stocks as to assets and dividends par value \$100 per share	4,381,560
7% Second Preferred stock, cumulative commencing two years after date of issue, with a par value of \$100 per share, with preference over common stock as to both assets and dividends.	2,723,000
Common stock, no par value (but in table below treated as if \$100 par.—Ed.)	53,638 shares

The new corporation shall be organized under the joint supervision of the stockholders' committee and the committee for the note-holders.

**Terms of Exchange for New Stock [Tabulated by Editor.]**

Present—	1st Preferred.	2nd Preferred.	New Common.
Preferred stock	60%—\$2,160,000	10%—3,600 shares	
Common stock	10%—563,000	10%—5,630 shares	
A, B and C notes and accum. interest, 100%—\$2,881,560			50%—14,408 shares
To be sold for cash—1,500,000			30,000 shares
<b>Total</b>	<b>\$4,381,560</b>	<b>\$2,723,000</b>	<b>53,638 shares</b>

A syndicate is being formed to furnish the \$1,500,000 cash and it is provided that every depositing stockholder shall have the right to subscribe pro rata to this \$1,500,000 of First Preferred and 30,000 shares of common stock upon the identical terms upon which it is offered to the syndicate, except for the usual underwriting commission.

The foregoing steps would result in the organization of a new corporation which would own, free and clear of all indebtedness, the entire business and assets. It would provide, also, additional funds as working capital.

**Stockholders Committee.**—Henry K. Pomroy, Chairman; James B. Mabon, Thomas E. Rush and Willis D. Wood. Address, 31 Nassau St., New York City. Cooke & Marvin, counsel; Columbia Trust Co., deposit.

**Option to Subscribe, &c.—Digest of Comm's Statement dated Oct. 10.** Of the new First Pref. stock, \$1,500,000 is to be disposed of for \$1,500,000 in cash, which will be used by the new company in its discretion in financing International Motor Co., and for its own corporate purposes. This \$1,500,000 stock will be underwritten and then offered for subscription to stockholders depositing under the plan, who have the right to subscribe pro rata according to the number of shares respectively deposited and, receiving for each \$100 in cash paid in one share of the new First Preferred stock and (without further payment) two shares of the new common stock.

The exact amount that may be subscribed for cannot be determined until all deposits are made, but the minimum will be 16 2-3% of a stockholder's present holdings. Only depositing stockholders will be entitled to subscribe. A depositor will also have the privilege of subscribing for additional amounts above his pro rata, subject to allotment in case of oversubscription.

We again remind you of the acute situation in the note issue aggregating, with accumulated interest, nearly \$3,000,000, falling due Nov. 1 next, and with the need of additional working capital.

By depositing your stock you will retain an interest in the property without being called upon for an assessment, and will acquire the right to subscribe, if you should desire to do so, to the new First Preferred stock. The plan must fall unless stockholders deposit their stock promptly. The final date set for deposit is Oct. 20 1916. See further particulars in V. 103, p. 1214; V. 102, p. 2251.

**Kelsey Wheel Co., Inc.—Initial Dividend.**—

An initial quarterly dividend of 1 1/4% has been declared on the pref. stock, payable Nov. 1 to holders of rec. Oct. 16.—V. 103, p. 941, 848.

**La Belle Iron Works.—Deferred Dividend Paid.**—

The company paid on Sept. 30 on its \$9,915,400 pref. stock, the regular quarterly dividend of 2% and a special dividend on account of accumulations of 2 1/2%.—V. 102, p. 2340.

**Lackawanna Steel Co.—Combined Results.**—

	—3 Mos. to Sept. 30—	—9 Mos. to Sept. 30—
	1916.	1915.
Total income	\$3,944,422	\$1,779,357
Interest on bonds and notes	\$341,625	\$402,500
Sinking fund and exhaustion	108,198	100,322
Depreciation, &c.	433,898	365,811
		1,547,738
		(207,483)
		\$73,862

Balance, surplus—\$3,060,701 \$910,724 \$8,379,043 \$613,350  
The unfilled orders on Sept. 30 1916 were 745,694 gross tons, against 393,084 in 1915.—V. 103, p. 1035, 324.

**McCrary Stores Corporation.—Sales for September.**—

1916—Sept.—1915.	Increase.	1916—9 Mos.—1915.	Increase.
\$556,281	\$418,989	\$137,301	\$4,392,655
			\$3,754,127
			\$638,528

—V. 103, p. 1035, 669.

**Massachusetts Gas Companies, Boston.—Earnings.**—

June 30 Years.	1915-16.	1914-15.	1915-16.	1914-15.
Total income	\$2,902,921	\$2,834,733	Pf. divs. (4%)	\$1,000,000
Int. &c. chgs.	520,194	551,779	Balance, surp.	\$1,382,727
				\$1,282,954

The company deducts in 1915-16 and 1914-15 from profit and loss, dividends of 5% on common shares, \$1,250,000.—V. 103, p. 1035, 582.

**Massachusetts Lighting Cos., Boston.—Subscriptions.**

Preferred shareholders of record Oct. 6 desiring to subscribe for the new pref. stock at par, \$100 a share, in the ratio of one new share for each ten now held, must file their subscriptions with the Treasurer on or before Oct. 21 1916. On June 30 1916 there were outstanding 49,400 pref. shares. See also V. 103, p. 1305, 148.

**Mexican Telegraph Co.—Partly Estimated Earnings.**—

Earnings (Partly Estimated)	—3 Mos. to Sept. 30—	—9 Mos. to Sept. 30—
	1916.	1915.
Total income	\$257,500	\$207,136
Net income	\$217,500	\$186,836
Mexican Government	8,000	10,000
Dividends	(2 1/2%) 89,735	(2 1/2%) 89,735 (7 1/2%) 269,205 (7 1/2%) 269,205
Balance, surplus	\$119,765	\$87,101
		\$386,010
		\$367,131

—V. 102, p. 1165.

**Mills & Gibb, N. Y.—Reorganization Plan Dated Sept. 30.**

—The noteholders' committee having prepared a plan of reorganization which has the approval of the General Creditors' Committee, urges further deposits with the Bankers Trust Co. of notes endorsed by Wm. T. Evans. In circular of Oct. 3 the committee says in brief:

The plan has been prepared in conjunction with the General Creditors' Committee of merchandise and deposit creditors, which consists of Edmund S. Twining of Clarence Whitman & Co., Chairman; Henry Maxwell of Deering, Milliken & Co., George H. Williams of H. A. Caesar & Co., and Hamilton MacLean, long with Mills & Gibb.

Briefly it contemplates the organization of two new companies, one known as *Mills & Gibb Corporation*, which will be the operating company and will continue to conduct the profitable portion of the business. It will have an authorized capital of 32,000 shares of no par value; and commencing business with practically no indebtedness, will command the highest credit from mercantile and banking sources.

The other corporation a *holding company*, will acquire, upon judicial sale, the assets of Mills & Gibb, and will, out of the proceeds of these assets, make the following cash payments, and will issue to creditors notes for the balance of the indebtedness. It will own the entire capital stock of the operating company.

**Cash Payments and Notes of Holding Company, Together aggregating 100% on Present Indebtedness.**

(1) To creditors holding notes (about \$2,085,000) endorsed by William T. Evans; (a) An immediate cash payment of 40%; (b) collateral notes payable in 12 months after date, for 10% of principal of the present claims; in 24 months, 10%; in 36 months, 10%; and 48 months, 30%.  
(2) To creditors not holding the endorsement of William T. Evans: (including in all say \$1,088,000—Ed.) (a) An immediate cash payment of 35%; (b) collateral notes payable in 12 months after date, for 10% of principal of present claims; in 24 months, 10%; in 36 months, 10%; in 48 months, 35%.

All of the notes are to be collateral trust notes [of the holding company dated Dec. 15 1916] and will be equally secured without preference, by the deposit with the trustee of the entire capital stock of the operating company. The capital stock of the holding company will be held by three voting trustees, who will have the right to dispose of the capital stock of the operating and holding companies, and, after the notes are paid, will either distribute the stock of the operating company pro rata among the creditors or will sell the same and dispose of the proceeds pro rata among the creditors.

The notes will not bear interest but in lieu of interest the creditors will receive a participation certificate in the capital stock of the holding company, and the result will be that in the event of the payment of the notes in full the creditors will own pro rata the capital stock of the holding company, which company in turn will own the capital stock of the operating co.

The plan will be carried out under the supervision of Reorganization Managers who will be Seward Prosser, the Chairman of the Noteholders' Committee, and Edmund S. Twining, the Chairman of the General Creditors' Committee. None of the active executive officers of Mills & Gibb will have any part in the management of the companies under this plan.

The value of the assets available for the payment of the indebtedness of William T. Evans is very uncertain, but we believe that the total realizable value of his assets at this time will not exceed \$200,000. His liability upon the endorsements is approximately \$2,100,000 and his indebtedness to Mills & Gibb is approximately \$950,000.

The committee believe that the company under proper management can be made successful. George C. Riggs, acting manager for the receivers, has consented to serve upon the board of directors and to co-operate in the management and it is confidently hoped that J. Harper Poor and Joseph B. Martindale, the receivers, will also consent to go upon the board.

The U. S. District Court has fixed Nov. 15 1916 as the date of sale. Signed by noteholders' committee: Seward Prosser, Chairman; Walter H. Bennett, J. Cheever Cowdin, Robert R. Dunn and Thos. H. West Jr., with B. W. Jones, Secretary, 16 Wall St., N. Y. City.

[The property at 22nd St. and 4th Ave., N. Y. City, owned and entirely occupied by Mills & Gibb, is subject to a mortgage of \$750,000. Any real estate or other assets not deemed advantageous for the operating company to own will be vested either in the holding company or in subsidiary companies, whose entire capital stock will be owned by the operating company or the holding company. The merchandise on hand, including furs, linens, carpets, gloves, &c., is estimated as worth to a going concern \$2,293,600, and in case of forced liquidation \$1,189,000. Including this item at \$1,509,000, the total business assets of the operating company are placed in the plan at \$1,669,857. The holding company will own, directly or indirectly, the equity in the aforesaid store property, \$182,355 and claims against Mr. Evans estimated to have a realizable value of \$100,000.—Ed.]

—V. 102, p. 1901; V. 69, p. 1251.

**Moline Plow Co., Moline, Ill.—Earnings.**—

The net profit for the year ending July 31 1916 after all expenses, including \$166,563 for repairs and renewals; \$136,665 for depreciation; \$66,437 for interest on borrowed money and after making provision for bad debts and all accrued charges, amounted to \$1,034,552, an increase of \$509,605, over last year. After deducting in 1915-16 cash dividends of 7% on 1st pref. stock, calling for \$525,000, 2% on 2nd pref. stock, \$90,000 and 2% on com. stock, \$200,000, the bal. for year was \$219,552.—V. 103, p. 1305.

**Mt. Vernon-Woodberry Mills, Inc.—Sale.**—

As the final step in the reorganization (V. 99, p. 898), the manufacturing properties of the predecessor company, the Mt. Vernon-Woodberry Cotton Duck Co., formerly controlled by the International Cotton Mills, will be sold at public auction on Oct. 23 and 24 in the interest of the new corporation, the Mt. Vernon-Woodberry Mills, Inc.—V. 103, p. 582.

**New York Telephone Co.—Merger Approved By Council.**—

See Federal Telephone & Telegraph Co. above.—V. 103, p. 1215, 1122.

**Ohio Copper Mining Co.—Circular to Stockholders.**—The

International & Intercontinental Mining & Refining Corporation, in circular signed by Secretary David T. Gately, 60 Wall St., Oct. 6, calls for deposit of the stock with the Central Trust Co., as depositary, saying in substance:

The plan has been carried out by the bondholders to the letter. We were unable to delay the sale. The property was sold under foreclosure for \$750,000 Aug. 30 1913. Just one day later the right to redeem the property was sold by the Trustees in Bankruptcy for \$40,000. This sale also carried with it supplies, equipment, furniture, claims against the Assets Realization Co. and the American Smelting & Refining Co., and all claims and choses in action against the stockholders of the Ohio Copper Mining Co.

The stock upon its face bears an endorsement that \$3 per share only has been paid. That leaves \$2 per share due. There are 1,300,000 shares outstanding, of which the bondholders own or control 600,000 shares. The payment by them of \$2 per share would produce about \$1,200,000, which with the cash on hand would be much in excess of the requirements to pay off all debts secured and unsecured, and restore the property to the company. When the bondholders paid \$40,000 for the equity of redemption and the right to assess the stockholders, they put themselves in a position to avoid liability as against themselves as stockholders, and to assert a claim as against the other stockholders.

The confirmation of the sale in foreclosure and the sale of the equity of redemption has been adjourned to Oct. 13 1916. At this time there will be the one chance for the stockholders to save their property.



A motion for leave to intervene in the bankruptcy proceedings made by this corporation for the purpose of protecting the stockholders was granted by U. S. District Judge Manton on Sept. 30 1916. In his opinion he points out that although the property sold for \$750,000, leaving an apparent deficiency of about \$700,000, yet that deficiency has since been reduced to about \$400,000 by royalties and rentals derived by lease of the property; and he adds that if the work of collecting the \$2 a share from the stockholders was industriously pursued by the trustees, it might well be that the indebtedness, including the mortgage, would be paid off and the property restored to the stockholders.

Our President, A. W. Middleton, is a member of this stockholders' protective committee, and this corporation has deposited its stock. Other very large holders have done likewise.—V. 103, p. 1122, 941.

#### Pacific Coast Co.—Earnings for Fiscal Year.—

June 30 Year—	1915-16.	1914-15.		1915-16.	1914-15.
Gross earnings—	\$7,212,557	6,284,493	Tot. chgs., &c.	451,321	368,837
Net, after taxes—	978,467	680,420	1st pf. div. (5%)	76,250	76,250
Other income—	74,927	8,669	2d pf. div. (4%)	160,000	160,000
Gross income—	1,053,393	689,089	Com. divs. (3%)	-----	210,000

The press reports state that the company's 13 ships and the 8 ships of the Pacific-Alaska Navigation Co. will be operated by a new company known as the Pacific Steamship Co., whose capital stock is \$1,000,000; each of the contracting companies holding one-half part. This joint operating plan will eliminate duplication in sailings, save much in operating expenses, and insure better service to shippers on the Pacific coast.

#### Subsidiary Co. Amalgamation.—

See Pacific Steamship Co. below.—V. 103, p. 1215, 325.

#### Pacific Steamship Co., Seattle.—Amalgamation.—

Arrangements have been completed for uniting under this title the Pacific Coast Steamship Co. (whose entire capital stock is all owned by the Pacific Coast Company—V. 101, p. 1209) and the Pacific Alaska Navigation Co., effective Nov. 1, embracing 13 large passenger and freight steamships of the former and nine vessels of the latter company. The merger was ratified Sept. 27. The vessels involved are said to be valued at more than \$7,000,000. Offices of the company are to be in Seattle.

Pres. H. F. Alexander of the Pacific-Alaska Navigation Co., is quoted in substance as follows: "The company has been formed to operate along the entire Pacific Coast, including Alaska, with the further purpose of extending its service in other directions. The principal officers will be: H. F. Alexander, Tacoma, Pres.; E. C. Ward, Seattle, Vice-Pres.; William Jones, Tacoma, Treas.; Admiral E. B. Rogers, Secy., and A. F. Haines, Seattle, Manager. The directors will undoubtedly be chosen from the directors of the merged companies. Directors of the Pacific-Alaska Navigation Co. are Pacific Coast men with the exception of George Mair of Windsor, Ontario, and R. A. C. Smith of New York. Directors of the Pacific Coast Steamship Co. are M. H. W. Cannon, John W. Simpson, Robert M. Parker, Albert H. Wiggin, John I. Waterbury and William M. Barnum, all of New York, and Lewis K. Thurlow, Edward Pierce and Washington D. Thomas of Boston.

Wm. M. Barnum, Pres. of the Pacific Coast Co., in confirming the above, is quoted as saying: "The authorized capital of the new corporation is \$1,000,000. Half of it has been subscribed in equal amounts by the Pacific Coast and the Pacific Alaska Navigation Cos. These concerns will charter their fleets to the new company for a term of ten years."

#### Peoples Water Co., Oakland, Cal.—Foreclosure.—

A decree of foreclosure and sale was, on Oct. 2, granted the Mercantile Trust Co. of San Francisco in its suit as trustee, brought in Oct. 1915, to foreclose the general mortgage of 1907, under which some \$13,900,000 bonds are outstanding, as collat. or otherwise. See V. 101, p. 1096; V. 103, p. 1122, 946.

**Philadelphia Electric Co.—Assents to Plan.—Negotiable Receipts Listed.**—The Phila. Stock Exchange has admitted to the unlisted department the Land Title & Trust Co. of Phila. negotiable receipts, issued against the following assenting securities, deposited under circular letter of July 20 1916 (V. 103, p. 326), against the deposit of which there has been issued to Oct. 3 1916 and listed, the aforesaid negotiable receipts to the amounts indicated below, embracing (1) the amounts redeemable in cash, and (2) the amount exchangeable for the new Phila. Elec. Co. of Pa. 1st mtge. bonds, viz.:

Receipts Now Listed—				
Assented.	Issued.	Total.	Red. in Cash.	Exchange'le.
\$1,718,100 Edis. El. 5% stk. tr. certs.		\$1,685,248	\$351,648	\$1,333,600
10,442,096 Phila. El. 5% g. tr. certs.		10,397,010	1,701,310	8,695,700
13,571,812 Phila. El. 4% g. tr. certs.		11,471,560	3,121,660	*8,349,900
*\$1,498,900 exchangeable for Phila. El. Co. of Pa. 1st 4s; \$6,851,000 for 5s.				
Options Extended to Holders of Stock Trust Certificates.				
Each \$1,000 of Existing—	Amount Outstanding.	Alternate Terms of Exchange—	Or New 5% Bonds.	
Edison Electric 5% Stock Trust Cts.—	\$1,994,300	\$1,080-In all	\$2,153,844	\$1,100 in all \$2,193,730
Phila. Elec. 5% Gold Trust Cts.—	11,268,060	1,050-In all	11,831,463	1,060-In all 11,944,144
Phila. Elec. 4% Gold Trust Cts.—	15,014,142	850-In all	12,762,021	*860-In all 12,912,162
		[Inserted by—		
Total.....	\$28,276,502	Ed.]	\$26,747,328	\$27,050,036
x Either this amount, \$860, of new 5% bonds, or \$1,000 of new 4% bonds.				

By order of the Directors of the Phila. Elec. Co. of N. J. the certificates are still being accepted for deposit and will continue to be accepted for a limited period.—V. 103, p. 1122, 1036.

#### Pittsburgh Brewing Co.—Accumulated Dividends.—

An extra dividend of 2% has been declared on the pref. stock on account of accumulations payable Oct. 30 to holders of rec. Oct. 20.—V. 102, p. 1815.

**Pugh Stores Co., Chicago.—Stock Offering.**—Michaelis & Co., N. Y.; Green, Collins & Co., Chicago, and associates, announce that they have sold privately at par, \$10 a share, practically all of their block of \$5,000,000 stock, and expect shortly to offer the remainder for public subscription. A circular shows:

Capital stock authorized, \$20,000,000, all of one class; par value, \$10 a share; issued, \$12,281,950. No bonded debt or preferred stock. Incorporated Feb. 15 1915 in Maine for the purpose of owning and operating a combination of chain stores, supplying merchandise of every character in the twelve Central Western States from Ohio to Nebraska—together with a general mail order business, the Pugh Terminal Warehouse Building, Chicago, and the largest produce market in the United States. The Pugh Terminal Warehouse is the largest building of its kind under one roof in the United States, having over 23 acres of floor space and facilities for loading or unloading 800 cars every 24 hours, also connection by underground electric road with 52 railroad freight stations in Chicago.

President James A. Pugh founded the great Pugh Terminal Warehouse in 1904. Associated with Mr. Pugh are Richard S. Folsom, V.-Pres. & Counsel, formerly Corporation Counsel for Chicago; Irving Shuman, V.-Pres. in charge of finance, formerly Asst. Treas. of U. S. in Chicago; Noah Payne, V.-Pres. in charge of stores.

#### St. Louis Rocky Mountain & Pacific Co.—Earnings.—

June 30 Years.	1915-16.	1914-15.		1915-16.	1914-15.
Gross earnings—	\$2,486,271	\$2,465,215	Int., depr., &c.	\$401,543	\$525,568
Net, after tax—	\$557,305	\$650,007	Pref. div. (5%)	50,000	50,000
Other income—	177,365	207,752	Com. divs. (2%)	200,000	(1)100,000
Gross income—	\$734,670	\$857,759	Balance, surp.	\$83,127	\$182,191

—V. 102, p. 810.

#### Southern Counties Gas Co.—Bonds Authorized.—

The Cal. RR. Commission on Oct. 4 authorized this company to issue on account of improvements, &c., \$370,000 of the First Mtge. 20-year

sinking fund 5½% bonds at 92½, making the total to be outstanding \$2,870,000. See V. 102, p. 2081, V. 103, p. 1046.

#### Standard Milling Co.—Earnings for Fiscal Years.—

June 30 Yr.	1915-16.	1914-15.		1915-16.	1914-15.
Net profits—	\$1,437,845	\$1,168,069	Retirem't pf. stk.	-----	(1)\$65,815
Pref. divs. (6%)	389,070	(5)329,128	Special surp.—Cr.	219,565	-----
Com. divs. (5%)	229,820	(3)137,856			

Bal., surp.—\$1,038,520 \$635,269  
"Special surplus" for retirement of preferred stock (less \$50,000 added to reserves) written back.—V. 103, p. 65.

#### Standard Roller Bearing Co.—Removal of Receivers.—

F. T. Aldridge, Vice-Pres. of the Brooklyn Trust Co., acting on behalf of a committee of stockholders, has filed a petition with the U. S. District Court at Phila. asking the removal of the receivers, and the appointment of new ones. It is alleged that the present receivers have filed no report and have in three years done a business of \$6,000,000. It is charged that \$777,000 has been spent for equipment without authority, and that the receivers brought a loss of \$100,000 upon the company through attempting, to do business in munitions.—V. 102, p. 2082.

#### Stromberg Carburetor Co. of Amer., Inc.—Syndicate.—

The syndicate organized by Allan A. Ryan & Co., which financed this new company has been closed and the checks mailed. See V. 103, p. 583, 417.

#### Submarine Boat Co.—British Order.—

Press reports state that this company has negotiated an order with the British Government for a large number of trawlers, to cost from \$10,000,000 to \$30,000,000.—V. 102, p. 2260.

**Swift & Co., Chicago.—Cash Dividend of 33 1-3% Out of Accumulated Earnings—Shareholders to have Option to Subscribe for \$25,000,000 (33 1-3%) New Stock.**—Pres. Louis F. Swift on Oct. 6 made the following announcement:

A portion of the surplus earned and accumulated during the last 23 years is to be distributed among 20,000 shareholders by the declaration of a cash dividend of \$33 33 per share to shareholders of record Oct. 16, payable Nov. 25. It is not a quick profit that is being distributed, but rather one that has been accumulated from small margins on a large volume of business over a long period of time. [On Sept. 25 1915 the profit and loss surplus amounted to \$45,850,000.—V. 102, p. 250.—Ed.]

The directors also voted to submit to the shareholders for ratification an increase in the capital stock of \$25,000,000. Present shareholders will have the right to subscribe at par to the new stock on the basis of one share for each three now held.

Shareholders will accordingly vote on Nov. 8 on increasing the capital stock from \$75,000,000, the amount now outstanding, to \$100,000,000.—V. 103, p. 849.

#### Tennessee Copper Co.—Refinancing Prospects.—William F. Joyce, a director, has made the following statement:

It is true that negotiations are now going on to have the company refinanced by the organization of a new company. The negotiations are in progress but no papers have yet been executed.—V. 103, p. 1331, 948.

**Texas & Pacific Coal Co. New Stock.**—Shareholders of record as of Oct. 13 have been offered the privilege of subscribing at par in the proportion of one new share for each five shares held, to \$500,000 new stock, thereby increasing the outstanding capital stock from \$2,500,000 to \$3,000,000.

Proceeds of the new issue will be used to reimburse the company for expenses incurred in prospecting a gas and oil field on the company's property and adjoining property held under lease.—V. 90, p. 918.

#### Union Bag & Paper Corporation.—New Certificates.—

The consolidation of the Union Bag & Paper Co. and Riegel Bag & Paper Co. having been completed under this title (see plan in V. 103, p. 244), notice is given by adv. on another page that the new stock certificates are now ready for delivery at the Empire Trust Co., 120 Broadway, N. Y.

The new stock is issued in the proportions fixed by the consolidation agreement, namely, 8-11 of one share of Union Bag & Paper Corp. preferred stock for each share of Union Bag & Paper Co. preferred stock, and ¼ of one share of Union Bag & Paper Corp. stock for each share of the Union Bag & Paper Co. common stock.

The New York Stock Exchange has authorized the listing of \$10,000,000 capital stock upon official notice of issuances in exchange for outstanding certificates of the preferred and common stocks of the Union Bag & Paper Co., the old company.

#### INCOME ACCOUNT FOR YEAR ENDING JULY 31 1916.

Net earnings, after deducting expenditures for ordinary repairs and maintenance—	\$888,435
Deduct—Provision for deprec., incl. sink. funds for bond redemp.—	242,969
Interest on (a) 1st M. 5s, \$169,098; on 6% bonds assumed, \$11,250; on purchase-money obligations, \$11,383;—	191,730

Net profit available for dividends for year ending July 31 1916—\$453,736

Application is about to be made to the N. Y. Stock Exchange for the listing of the stock of the corporation.—V. 103, p. 1331, 1046.

#### Union Button Co. (Boston).—Receivers Appointed.—

The U. S. Dist. Court at Boston on Oct. 6, appointed W. A. Porter and Robert A. Knight receivers. It was alleged in the application that the company had failed to meet payment on a bond issue due July 1.

#### Union Oil Co. of California.—Approximate Earnings for Nine Months to Sept. 30.—

1916—Gross—	1915.	Increase.	1916—Surplus—	1915.	Increase.
\$20,550,000	\$13,950,000	\$6,600,000	\$5,320,000	\$2,250,000	\$3,070,000

—V. 103, p. 762.

#### Utah Metal & Tunnel Co.—Status.—Initial Dividend.—

An authorized statement says:

In the six months ended June 1 last, the company earned \$603,000 and had cash and metal on hand at that date of nearly \$1,300,000. Earnings for the first half year were equivalent to \$1 a share, so that the initial dividend of 50 cents a share which was paid on Aug. 15 was earned with substantial balance to spare. No balance sheet was made public as of June 1, but on Dec. 31 last the company had current and working assets of \$358,472, against current liabilities of \$44,979.

The company was organized two years ago as successor to the Utah Mining Co. It was capitalized at \$500,000 (par \$1), but in Nov. last the stockholders voted to increase the capitalization to \$725,000. The new stock was issued to acquire the stock of the Bingham-New Haven Copper Co., an adjoining property.

With the acquisition of the Bingham acreage the company owns and controls approximately 3,900 acres in Toole County, Utah. The principal development consists of a tunnel driven through the West mountain some 12,000 feet in length and electrically operated. Shipments were started from the property in April 1915, and during the nine months of that year 4,956,183 lbs. of lead, 299,554 lbs. of copper, 159,446 ozs. of silver and 10,297 ozs. of gold were sent out. The Bingham property in 1915 produced 4,903,906 lbs. of lead, 2,574,261 lbs. of copper, 325,448 ozs. of silver and 6,617 ozs. of gold.

On Feb. 1 last the directors advised the stockholders they felt that the two companies together should have quick assets of \$1,000,000 before beginning payment of dividends. It was their belief at that time that these assets would reach that amount by April 1 last, and that it would then be prudent to set aside 80% of the earnings and appropriate them to aymnt of dividends.—V. 103, p. 417.

For other investment news see page 1432.



## Reports and Documents.

## LOUISVILLE &amp; NASHVILLE RAILROAD COMPANY

SIXTY-FIFTH ANNUAL REPORT—FOR THE FISCAL YEAR ENDED JUNE 30 1916.

Louisville, Ky., October 4 1916.

To the Stockholders of the Louisville &amp; Nashville Railroad Company:

The Board of Directors of your Company respectfully submits the following report for the fiscal year ended June 30 1916:

## MILEAGE

## I. Lines Owned and Operated.

(1) Owned—Property deeded.....	4,226.51	Miles.
(2) Operated but not owned—		
(a) Operated as owner of entire Capital Stock.....	450.12	
(b) Operated under lease.....	133.46	
(c) Operated under contract.....	38.92	
(d) Operated under trackage arrangements.....	216.97	
	839.47	
(3) Owned, leased to N. C. & St. L. Ry.—operated under trackage arrangements.....	5.31	

Total operated.....5,071.29  
Average mileage operated during the year, 5,041.61.

## II. Lines Operated Under Their Separate Organizations in which this Company Owns a Majority of the Capital Stock or is Interested as Joint Owner or Lessee.

Nashville Chattanooga & St. Louis Railway (a majority of the Capital Stock owned).....	976.56
Central Transfer Railway & Storage Co., Louisville (one-half of the Capital Stock owned).....	.67
Georgia Railroad and Dependencies (interested as joint lessee).....	571.00
Chicago Indianapolis & Louisville Railway (a majority of the Capital Stock owned jointly with the Southern Railway Co.).....	622.41
Louisville Henderson & St. Louis Railway, less mileage of Louisville & Nashville Railroad operated under trackage arrangements (a majority of the Capital Stock owned).....	181.70
Woodstock & Blocton Railway (one-half of the Capital Stock owned).....	7.73

Less—Mileage used by this Company under trackage arrangements—	2,360.07
Woodstock & Blocton Railway.....	7.73
Nashville Chattanooga & St. Louis Railway.....	50.59
Louisville Henderson & St. Louis Railway.....	.26
	58.58

2,301.49

## III. Lines Owned by this Company but Operated by other Companies.

Paducah & Memphis Division (leased to Nashville Chattanooga & St. Louis Railway at 5 per cent on Cost of Road).....	254.20
Less—Mileage operated by this Company under trackage arrangements.....	5.31
	248.89

Clarksville & Princeton Branch—Gracey, Ky., to Princeton, Ky. (leased to Ohio Valley Railway Co. at \$12.-039 70 per annum).....	20.71
--	-------

269.60

Total mileage.....	7,642.38
Total mileage June 30 1915.....	7,607.32

Increase.....	35.06
Accounted for as follows:	
Additions—	
Winchester Branch.....	26.64
Sundry net additions.....	8.42
	35.06

## BONDED DEBT.

Bonded Debt, June 30 1915, total issue.....\$193,770,339 94

Bonds Issued—	
Unified 50-year 4% Gold.....	\$792,000 00
Atlanta Knoxville & Cincinnati Division 4% Gold.....	477,000 00
	\$1,269,000 00

Kentucky & Virginia RR. First Mortgage 50-year 5% Gold.....	\$2,963,000 00
Lewisburg & Northern RR. First Mtge. 50-year 5% Gold.....	8,257,000 00
Birmingham & Tuscaloosa RR. First Mtge. 50-year 5% Gold.....	767,000 00
Lexington & Eastern Ry. Deferred Debenture Scrip.....	5,825 00
	11,992,825 00

\$13,261,825 00

## Bonds Drawn for Sinking Funds—

Redeemed—	
Evansville Henderson & Nashville Div. Gold.....	\$146,000
General M. Gold.....	569,000
Pensacola & Atlantic RR. 1st Mtge. Gold.....	106,000
Pensacola Division First Mtge. Gold.....	24,000
Newport & Cincinnati Bridge Co. Gen. Mtge.....	2,000
	\$847,000 00

Brought forward.....\$847,000 00 \$13,261,825 00 \$193,770,339 94

Unredeemed (Not Presented for Payment)—	
Evansville Henderson & Nashville Division Gold.....	\$4,000
General M. Gold.....	84,000
Pensacola & Atlantic RR. 1st Mtge. Gold.....	2,000
Pensacola Division First M. Gold.....	1,000
Henderson Bridge Co. 1st M. Gold.....	2,000
	93,000 00

\$940,000 00

Deduct—	
Henderson Bridge Co. First Mtge. Bond drawn for Sinking Fund—Unredeemed June 30 1915, Redeemed during this fiscal year and paid into Sinking Fund.....	1,000 00

\$939,000 00

Bonds Matured—	
Redeemed—	
Equipment Series "A" 5% Gold.....	\$650,000
St. Louis Property 20-Year 5% First M.....	605,000
	\$1,255,000

Unredeemed (Not Presented for Payment)—	
St. Louis Property 20-Year 5% First Mortgage.....	12,000
	1,267,000 00

2,206,000 00

11,055,825 00

Bonded Debt June 30 1916, total issue (See Balance Sheet, Table III.).....\$204,826,164 94

Less—Bonds Owned—	
In Treasury.....	\$27,273,339 94
Deposited in Trust as Collateral.....	3,929,000 00
Deposited account of Georgia RR. Lease.....	500,000 00
Held in Sinking Funds.....	1,163,000 00
	32,865,339 94

Total Outstanding Bonded Debt in hands of public June 30 1916.....\$171,960,825 00  
Total Outstanding Bonded Debt in hands of public June 30 1915.....174,231,000 00

Decrease in Bonds outstanding in hands of public...\$2,270,175 00

Accounted for as follows:	
Bonds drawn for Sinking Funds, including Redeemed and Unredeemed Bonds.....	\$940,000 00
Bonds matured.....	1,267,000 00
Bonds purchased for Sinking Funds.....	70,000 00
	\$2,277,000 00

Deduct—	
Bond withdrawn from Treasury and canceled for Sinking Fund.....	\$1,000 00
Lexington & Eastern Ry. Co. Deferred Debenture Scrip outstanding, assumed by Louisv. & Nashv. RR. Co.....	5,825 00
	6,825 00

Decrease as shown above.....\$2,270,175 00

## GENERAL RESULTS.

The General Results, as given in detail in Table No. 1, are here summarized.

Operating Revenues.....	\$60,317,993 43
Operating Expenses, 65.97 per cent.....	39,790,481 38
Net Operating Revenues, 34.03 per cent.....	\$20,527,512 05
Taxes.....	\$2,237,583 35
Uncollectible Railway Revenues.....	24,023 14
	2,261,606 49

\$18,265,905 56

Other Income—	
From Rents.....	\$2,094,740 83
From Separately Operated Properties.....	200,312 61
From Investments.....	1,341,181 74
From Interest.....	746,230 77
From Securities held under Georgia Railroad Lease.....	73,703 00
	4,456,168 95

Total Income.....\$22,722,074 51

Deductions from Income—	
Interest on Bonded Debt.....	\$7,681,717 76
Other Interest.....	2,025 67
Rents.....	885,038 10
Sinking Funds.....	160,604 61
Reserve for Doubtful Accounts.....	10,726 34
Taxes on Miscellaneous Physical Property, etc.....	28,112 89
	8,768,225 37

Net Income carried to Profit and Loss Account.....\$13,953,849 14  
The balance to credit of Profit and Loss Account amounts to \$50,172,-752 06. For details see Table No. 11.



## GROWTH OF TRAFFIC.

The growth of traffic for the past ten years is shown by the following table :

YEARS.	Average Miles Operated.	Operating Revenues.	Operating Expenses.	Net Operating Revenues.	Operating Revenues Per Mile.	Operating Expenses Per Mile.	Net Operating Revenues Per Mile.	P. C. of Expenses to Operating Revenues.
1906-1907	4,306.33	\$48,263,945 20	\$35,781,302 54	\$12,482,642 66	\$11,207 67	\$8,309 00	\$2,898 67	74.14
1907-1908	4,347.80	44,620,281 16	*33,594,291 05	11,025,990 11	10,262 72	7,726 73	2,535 99	75.29
1908-1909	4,393.11	45,425,891 45	*29,627,499 48	15,798,391 97	10,340 26	6,744 08	3,596 18	65.22
1909-1910	4,554.30	52,433,381 94	*34,985,578 78	17,447,803 16	11,512 94	7,681 88	3,831 06	66.72
1910-1911	4,598.39	53,993,740 78	*38,479,822 61	15,513,918 17	11,741 88	8,368 11	3,373 77	71.27
1911-1912	4,709.93	56,211,788 30	*39,626,327 44	16,585,460 86	11,934 74	8,413 36	3,521 38	70.49
1912-1913	4,819.86	59,465,699 14	*44,810,880 41	14,654,818 73	12,337 64	9,297 13	3,040 51	75.36
1913-1914	4,936.73	59,682,777 77	*44,782,708 27	14,900,069 50	12,089 54	9,071 33	3,018 21	75.03
1914-1915	5,036.98	51,616,015 39	*39,431,780 01	12,174,235 38	10,245 43	7,828 46	2,416 97	76.41
1915-1916	5,041.61	60,317,993 43	*39,790,481 38	20,527,512 05	11,964 03	7,892 41	4,071 62	65.97

\*Does not include Additions and Betterments heretofore included in Operating Expenses.

## RAILS.

The rails in main track operated, except trackage rights, are shown below:

Steel Rails—	Miles.
Under 58 1/4 pounds per yard	53.57
58 1/4 pounds per yard	273.90
60 to 65 pounds per yard	264.38
68 pounds per yard	58.15
70 pounds per yard	1,178.07
80 pounds per yard	1,680.55
85 pounds per yard	23.92
90 pounds per yard	1,314.41
141 pounds per yard	1.45
Iron Rails	4,848.40
Total	4,849.01
To which add—	
Operated under trackage arrangements	222.28
Total mileage owned and operated	5,071.29

The rails in main track owned, operated by other companies, are shown below:

Steel Rails—	Miles.
56 pounds per yard	24.47
60 pounds per yard	54.04
68 pounds per yard	29
75 pounds per yard	.04
80 pounds per yard	172.66
85 pounds per yard	23.21
90 pounds per yard	.20
Less—Portion of Paducah & Memphis Division used by L. & N. Railroad under trackage arrangements	5.31
Total mileage operated by other companies	269.60

## ADDITIONS AND BETTERMENTS—ROAD.

During the year there were charged to Investment, Road, expenditures for additions and betterments as follows:

Engineering	Cr. \$1,179 37
Land for transportation purposes	12,215 90
Grading	122,323 10
Tunnels and subways	17,757 09
Bridges, trestles and culverts	59,979 76
Ties	Cr. 7,350 02
Rails	232,713 76
Other track material	294,827 82
Ballast	3,513 33
Track laying and surfacing	29,818 92
Right-of-way fences	35,345 83
Crossings and signs	63,022 77
Station and office buildings	115,027 62
Roadway buildings	32,868 65
Water stations	4,464 58
Fuel stations	42,389 77
Shops and enginehouses	4,945 51
Wharves and docks	26,456 26
Telegraph and telephone lines	262,653 12
Signals and interlockers	213,702 03
Power substation buildings	1,692 43
Power distribution systems	9,016 36
Power line poles and fixtures	118 43
Miscellaneous structures	6,130 21
Paving	3,247 90
Roadway machines	Cr. 4,070 71
Roadway small tools	141 28
Assessments for public improvements	61,524 56
Other expenditures—Road	182 65
Shop machinery	5,745 60
Power substation apparatus	50 90
Taxes	1,102 22

Total for the year ended June 30 1916 \$1,653,378 26

Total for the year ended June 30 1915 2,705,820 51

Decrease \$1,052,442 25

## ADDITIONS AND BETTERMENTS—EQUIPMENT.

The following expenditures for additions and betterments, equipment, were charged to Investment, Equipment, during the year:

Charges:	
Locomotives—	
Ten (10) bought or built	\$160,740 83
Equipping with electric headlights, superheaters, Chicago flange oilers, automatic fire-box doors, and changing safety appliances	15,951 58
Freight-Train Cars—	
Eight hundred and seventy-four (874) bought or built	\$820,782 31
Four (4) rebuilt	3,658 66
Applying Farlow draft gears and changing safety appliances	50,421 26
Passenger-Train Cars—	
Nine (9) bought or built	\$95,904 53
Equipping with electric lights and changing safety appliances	11,561 97
Overhauling and reinforcing	2,361 64
Work Equipment—	
One (1) hoist bought or built	\$6,481 96
Eleven (11) water tanks bought or built	2,820 00
Changing safety appliances	3,567 32
Forty (40) freight-train cars changed to work equipment	10,234 02
Fifteen (15) passenger-train cars changed to work equipment	6,612 18
	29,715 48
Total	\$1,191,098 26

Brought Forward \$1,191,098 26

Credits:	
Locomotives—	
Nineteen (19) destroyed or sold	\$184,200 10
Freight-Train Cars—	
One thousand one hundred and twenty-one (1,121) destroyed or sold	\$622,307 46
Forty (40) changed to work equipment	18,912 20
Passenger-Train Cars—	
Two (2) destroyed or sold	\$8,107 96
Fifteen (15) changed to work equipment	56,176 45
Work Equipment—	
Three hundred and thirty-six (336) destroyed or sold	108,706 95
	998,501 12

Net charges to Additions and Betterments, Equipment, for the year \$192,597 14

Acquired with Lexington & Eastern Railway and Kentucky Highlands Railroad 378,430 76

Total charges for the year \$571,027 90

## RESERVE FOR ACCRUED DEPRECIATION.

## ROAD.

Credits:	
Depreciation—	
*Ties	\$952,917 26
*Rails	426,745 83
*Other Track Material	367,904 08
*Ballast	202,594 39
Total	\$1,950,161 56
Charges:	
Accrued Depreciation—	
Account Renewals, &c.—	
Ties	\$942,366 87
Rails	452,181 98
Other Track Material	256 273 61
Ballast	153,982 53
Creosote works, Gautier, Miss	33,550 67
Total	1,838,355 66
Net credit for fiscal year ended June 30 1916	111,805 90
Balance to credit of Reserve for Accrued Depreciation—Road, June 30 1915	10,718,123 67

Balance to credit of Reserve for Accrued Depreciation—Road, June 30 1916—	
For Ties	\$2,455,639 61
Rails	2,700,656 14
Other Track Material	1,502,641 52
Ballast	806,984 69
Creosote works, Gautier	
Miss	29,866 63
Miscellaneous	3,334,140 98
	\$10,829,929 57

## EQUIPMENT.

Credits:	
Depreciation—	
†Locomotives	\$451,744 98
†Freight-Train Cars	1,757,895 66
†Passenger-Train Cars	140,301 83
†Dining Cars	7,449 98
†Work Equipment	105,463 70
Total	\$2,462,859 15
Charges:	
Accrued Depreciation—	
On Equipment Destroyed or Sold—	
Nineteen (19) Locomotives	\$152,547 23
One thousand one hundred and twenty-one (1,121) Freight-Train Cars	438,024 73
Two (2) Passenger-Train Cars	7,766 78
Three hundred and thirty-six (336) Units of Work Equipment	58,974 85
	\$657,313 59
On Equipment changed to another class—	
Forty (40) Freight Train Cars	\$14,830 43
Fifteen (15) Passenger-Train Cars	50,530 08
	65,360 51
Total	722,674 10
Net credit for fiscal year ended June 30 1916	\$1,740,185 05
Balance to credit of Reserve for Accrued Depreciation—Equipment, June 30 1915	18,684,320 22
Balance to Credit of Reserve for Accrued Depreciation—Equipment, June 30 1916—	
For Locomotives	\$5,240,133 36
Freight-Train Cars	13,129,814 89
Passenger-Train Cars	1,431,271 27
Dining Cars	87,959 78
Work Equipment	565,325 97
	20,424,505 27



## MISCELLANEOUS PHYSICAL PROPERTY.

<i>Credits:</i>	
Depreciation on Material in Private Sidings--	\$45,707 56
<i>Charges:</i>	
Accrued Depreciation on Material removed, &c.	17,790 08
Net Credit for fiscal year ended June 30 1916--	\$27,917 48
Balance to credit of Reserve for Accrued Depreciation—Miscellaneous Physical Property, June 30 1915-----	256,513 17— 284,430 65
	\$13,538,865 49

\* The difference between these amounts and the charges to Operating Expenses are due to credits for tracks abandoned and not replaced, the cost of which was not charged to Property Accounts.

† The difference between these credits and the charges to Operating Expenses shown in Table No. IX, is caused by charges to Investment in Road accounts for equipment used in construction and addition and betterment work and to lessees of equipment of this Company, &c.

## MAINTENANCE OF EQUIPMENT.

The average cost per mile for repairs to equipment for the past ten years has been as follows :

	1906-1907. Cents.	1907-1908. Cents.	1908-1909. Cents.	1909-1910. Cents.	1910-1911. Cents.	1911-1912. Cents.	1912-1913. Cents.	1913-1914. Cents.	1914-1915. Cents.	1915-1916. Cents.
Locomotive repairs, per mile-----	7.771	9.090	8.092	7.884	8.492	8.770	8.802	8.957	8.812	9.356
Freight Car repairs, per mile-----	1.049	.918	.745	.739	.835	.914	1.113	1.154	1.070	.966
Passenger Car Repairs, per mile-----	1.546	1.542	1.190	1.292	1.591	1.531	1.401	1.413	1.165	1.342

All equipment of the system in revenue service is provided with both air brakes and automatic couplers.

## EQUIPMENT OWNED.

	Locomotives.	Freight Cars.	Passenger Cars.	Work Equipm't.
On hand July 1 1915-----	1,076	46,491	646	2,484
Bought and built-----	10	874	9	12
Acquired by purchase of other roads-----	15	219	15	50
Changed-----	1,101	47,584	670	2,601
Destroyed or sold-----	19	1,121	2	336
On hand-----	1,082	46,423	653	2,265

The following table shows the equipment on hand at the close of each of the past ten fiscal years :

## LOUISVILLE &amp; NASHVILLE RAILROAD AND OPERATED LINES.

	1906-1907.	1907-1908.	1908-1909.	1909-1910.	1910-1911.	1911-1912.	1912-1913.	1913-1914.	1914-1915.	1915-1916.
Locomotives-----	865	896	899	928	971	998	1,035	1,069	1,090	1,082
Freight Cars-----	39,523	40,589	41,720	43,019	44,564	44,727	45,269	46,480	46,710	46,423
Passenger Cars-----	559	572	573	590	611	620	655	667	659	653
Work Equipment-----	1,452	1,503	1,421	1,429	1,648	1,884	2,495	2,644	2,534	2,265

## AUTOMATIC BLOCK SIGNALS.

The installation of automatic block signals mentioned in previous report has been continued during the present year. Automatic block signals are now in service between Louisville and Cincinnati, 111 miles, between Covington and Knoxville, 284.74 miles, and between Evansville and Henderson, 12.10 miles. The installation between Knoxville and Etowah, Tenn., is nearing completion, and that between Calera and Montgomery, Ala., is well under way. Material is being assembled for the installation between the Illinois-Indiana State line and Howell, Ind., and between Henderson, Ky., and Amqui, Tenn.

When the installations authorized have been completed, there will be in operation on the system continuous automatic block signals protecting 547.21 miles of single track road and 148.63 miles of double track road, or a total of 844.47 miles of track.

## NEW LINE, WINCHESTER TO IRVINE.

The new line, Winchester to Irvine, 26.64 miles, referred to in previous reports, was not placed in full operation until the month of May 1916, owing to the very unfavorable conditions met with in construction. There still remains considerable work to be done, but it is expected that a stable roadbed will be secured during the next fiscal year.

## KENTUCKY &amp; VIRGINIA RAILROAD.

In accordance with action of the Board of Directors of the Wasioto & Black Mountain Railroad Company on August 12 1915, the name of this corporation was changed to the Kentucky & Virginia Railroad Company. The stock of the former company, all of which belonged to this Company, was canceled and in lieu thereof stock in the Kentucky & Virginia Railroad Company was issued.

As may be seen by the Sixty-first Annual Report of this Company, the construction of this road was commenced in the summer of 1909 and was completed and placed in operation as a part of the L. & N. System during the fiscal year ended June 30 1912, although title to the property was not transferred to this Company at that time.

By deed dated October 1 1915, the entire corporate property, rights, privileges, and franchises, except its franchise to be or to continue to exist as a corporation, were conveyed to the Louisville & Nashville Railroad Company.

## LEXINGTON &amp; EASTERN RAILWAY.

All of the capital stock of the Lexington & Eastern Railway Company was acquired by this Company during the fiscal year ended June 30 1910. The property was operated under its own organization until December 31 1912, from which date the road has been operated as a part of the L. & N. System.

By deed dated October 5 1915, the entire corporate property, rights, privileges, and franchises, except its franchise to be or to continue to exist as a corporation, were conveyed to the Louisville & Nashville Railroad Company.

## BIRMINGHAM &amp; TUSCALOOSA RAILROAD.

In accordance with action of the Board of Directors of the Tuscaloosa Mineral Railroad Company on August 4 1915, the name of this corporation was changed to the Birmingham & Tuscaloosa Railroad Company. The stock of the former company, all of which belonged to this Company, was canceled and in lieu thereof stock in the Birmingham & Tuscaloosa Railroad Company was issued.

The construction of this road was commenced in 1911, and was completed and placed in operation as a part of the L. & N. System in August 1912, although title to the property was not transferred to this Company at that time.

By deed dated October 9 1915, the entire corporate property, rights, privileges, and franchises, except its franchise to be or to continue to exist as a corporation, were conveyed to the Louisville & Nashville Railroad Company.

## LEWISBURG &amp; NORTHERN RAILROAD.

This road was completed and placed in operation as a part of the L. & N. System during the fiscal year ended June 30 1915. By deed dated October 1 1915 the entire corporate property, rights, privileges, and franchises, except its franchise to be or to continue to exist as a corporation, were conveyed to the Louisville & Nashville Railroad Company.

## KENTUCKY HIGHLANDS RAILROAD.

In accordance with an indenture dated September 13 1909, this Company became the owner of all of the capital stock of the Kentucky Highlands Railroad Company. At that time this road extended from Cliffsides to Millville, Ky., a distance of 6.46 miles. The property was operated under its own organization to June 30 1915, since which date it has been operated as a part of the L. & N. System.

Commencing in the year 1909, the road was extended from Millville to Versailles, Ky., a distance of 9.42 miles, the extension being completed and placed in operation May 1 1911, as a part of the L. & N. System.

By deed dated July 31 1915 the entire corporate property, rights, privileges, and franchises were conveyed to the Louisville & Nashville Railroad Company.

## FEDERAL VALUATION.

Under date of March 22 1916 notice was received from the Inter-State Commerce Commission that the property of this Company would be valued as of June 30 1917, under the Act of March 1 1913. A large amount of preparatory work is now being done, such as making record maps and compiling original cost data and other pre-inventory information.



Attention is called to the report of the Comptroller for the details of the year's business.

The Board records with regret deaths of the following Directors during the fiscal year:

On September 7 1915, Mr. Michael Jenkins, a Director of this Company since December 17 1902;

On February 4 1916, Mr. Alexander Hamilton, a Director of this Company since February 15 1906;

On March 20 1916, Mr. William J. Dickinson, Second Vice-President and Director of this Company. Mr. Dickinson was connected with the Louisville & Nashville Railroad Company for many years as Auditor of Receipts, Comptroller, Third Vice-President, and Second Vice-President. He was elected a Director on March 20 1913.

The Board acknowledges the fidelity and efficiency with which the officers and employees of the Company have served its interests.

For the Board of Directors,

H. WALTERS, Chairman.

M. H. SMITH, President.

HASKINS & SELLS.  
CERTIFIED PUBLIC ACCOUNTANTS,  
30 BROAD STREET, NEW YORK.

Cable Address "Haskells"

Watertown  
Pittsburgh  
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Denver

Chicago  
San Francisco

Baltimore  
St. Louis  
London, E. C.

New York, September 21 1916

Henry Walters, Esq., Chairman of the Board, Louisville & Nashville Railroad Company, 71 Broadway, New York.

We have examined the books and accounts of the Louisville & Nashville Railroad Company for the fiscal year ended June 30 1916, have verified all cash and security balances by count or by comparison with receipts and certificates of deposit, and have examined carefully the details of revenues and expenses and all charges to capital accounts, and

We hereby certify that the accompanying General Balance Sheet and statements of Income and Profit and Loss are correct, and truthfully set forth, respectively, the financial condition June 30 1916, and the results from the operation for the period shown.

HASKINS & SELLS,

Certified Public Accountants.

TABLE NO. I.—INCOME ACCOUNT.

June 30 1915.	Railway Operating Income—		
\$51,606,015 39	Railway Operating Revenues		\$60,317,993 43
39,431,789 01	Railway Operating Expenses, 65.97 per cent.		39,790,481 38
	Net Revenue from Railway Operations, 34.03 per cent.		\$20,527,512 05
\$12,174,226 38	Railway Tax Accruals	\$2,237,583 35	
2,136,712 78	Uncollectible Railway Revenues	24,023 14	
6,065 19			
2,142,777 97			2,261,606 49
\$10,031,448 41	Total Operating Income		\$18,265,905 56
	Non-Operating Income—		
\$764,862 60	Hire of Freight Cars—Credit Balance	\$1,363,850 35	
16,146 79	Rent from Locomotives	18,024 01	
69,399 90	Rent from Passenger-Train Cars	69,783 33	
21,808 86	Rent from Work Equipment	5,690 38	
285,995 70	Joint Facility Rent Income	270,847 53	
	Income from Lease of Road—		
12,039 70	Clarksville & Princeton Branch	\$12,039 70	
206,506 20	Paducah & Memphis Division	206,506 20	
	Freight Station, etc., E. St. Louis, Ill.	1,185 96	
218,545 90			219,731 86
26,636 19	Miscellaneous Rent Income		35,293 72
104,105 39	Miscellaneous Non-operating Physical Property		111,519 65
129,909 16	Separately Operated Properties—Profit		200,312 61
	Dividend Income—		
77,468 00	Chicago, Indianapolis & Louisville Railway Stock	236,830 12	
689,046 00	Nashville, Chattanooga & St. Louis Railway Stock	631,625 50	
33,847 00	Sundry Stocks	45,442 92	
73,083 00	From stocks held under Georgia Railroad Lease	73,083 00	
\$873,444 00			986,981 54
239,691 37	Income from Funded Securities—		
620 00	Sundry bonds and notes maturing more than one year after date	\$427,283 20	
	From bonds held under Georgia Railroad Lease	620 00	
\$240,311 37			427,903 20
678,093 01	Income from Unfunded Securities and Accounts		745,825 16
336 78	Income from Sinking Funds		405 61
\$3,429,595 65	Total Non-Operating Income		4,456,168 95
\$13,461,044 06	Gross Income		\$22,722,074 51
10,270 48	Deductions from Gross Income—		
65,162 38	Rent for Locomotives	11,631 46	
1,982 29	Rent for Passenger-Train Cars	76,783 60	
612,636 92	Rent for Work Equipment	1,781 27	
	Joint Facility Rents	605,850 78	
119,617 19	Rent for Leased Roads—		
38,286 84	Nashville & Decatur Railroad	\$119,867 49	
	Rents of other roads	36,305 08	
\$157,904 33			156,172 57
31,206 46	Miscellaneous Rents		32,818 42
22,836 42	Miscellaneous Tax Accruals		14,526 68
7,475,562 39	Interest on Funded Debt		7,681,717 76
41,434 24	Interest on Unfunded Debt		2,025 67
	Miscellaneous Income Charges—		
76,900 00	Accrued premiums on bonds drawn for Sinking Funds	86,050 00	
13,284 29	U. S. Income Tax paid on Tax-Exempt Bonds	13,586 21	
\$90,184 29			99,636 21
8,509,280 20	Total Deductions from Gross Income		8,682,944 42
\$4,951,763 86	Net Income		\$14,039,130 09
69,584 31	Disposition of Net Income—		
22,037 32	Income applied to Sinking Funds	74,554 61	
	Miscellaneous Appropriations of Income	10,726 34	
\$91,621 63	Total Appropriations		85,280 95
\$4,860,142 23	Income Balance Transferred to Credit of Profit and Loss		\$13,953,849 14

TABLE NO. II.—PROFIT AND LOSS ACCOUNT.

CREDITS.

Balance to credit of this account June 30 1915	\$40,998,116 89
Credit Balance transferred from Income Account	13,953,849 14
Profit on Road and Equipment Sold	1,294 60
Donations—	
Estimated value of land, labor and material donated for transportation purposes	25,045 02
Miscellaneous Credits—	
Unpaid amounts on Audited Pay-rolls and Vouchers prior to July 1 1911, closed off	\$27,605 11
Sundry amounts	23,282 99
	50,888 10
	\$55,029,193 75

DEBITS.

Dividend Appropriations of Surplus—	
Cash Dividend, 2½ per cent, payable February 10 1916	\$1,800,000 00
Cash Dividend, 3½ per cent, payable August 10 1916	2,520,000 00
	\$4,320,000 00
Surplus Appropriated for Investment in Physical Property	25,153 42
Debt Discount Extinguished through Surplus—	
Expense in connection with various bonds issued during the year	3,075 35
Loss on Retired Road and Equipment—	
Original cost and expense of removal of facilities abandoned and not replaced, less salvage recovered and depreciation accrued	29,516 79
Miscellaneous Debits—	
Loss due to reorganization of New Orleans Mobile & Chicago Railroad Company	383,765 92
Sundry amounts	94,930 21
	478,696 13
Balance Credit	50,172,752 06
	\$55,029,193 75



TABLE NO. III.—GENERAL BALANCE SHEET.

June 30 1915.	INVESTMENTS:	ASSETS.	
\$191,497,680 13	Investment in Road and Equipment—		
54,421,916 79	Road	\$216,690,546 05	
	Equipment	54,992,944 69	
\$245,919,596 92	Improvements on Leased Railway Property		\$271,683,490 74
1,704,977 51	Sinking Funds		1,748,446 24
1,187,893 16	Total Book Assets	\$1,259,843 33	
1,092,000 00	Bonds, this Company's Issue	1,163,000 00	
\$95,893 16	Miscellaneous Physical Property		\$96,843 33
3,508,477 99	Investments in Affiliated Companies—		3,745,617 20
	(a) Stocks—		
6,391,023 44	In Treasury	\$5,489,562 51	
14,913,200 85	Pledged	14,913,200 85	
		\$20,402,763 36	
\$21,304,224 29	(b) Bonds	\$2,711,769 15	
2,273,675 15	(c) Notes	1,591,022 05	
1,371,429 60	(d) Advances	1,056,637 59	
22,960,513 15			\$25,762,192 15
\$47,909,842 19	Other Investments—		
\$1,012,967 37	(a) Stocks	\$460,487 74	
4,472,827 35	(b) Bonds	4,442,192 35	
596,754 54	(c) Notes	519,396 50	
\$3,082,549 26			5,422,076 59
\$305,221,337 03			\$308,458,666 25
	CURRENT ASSETS:		
\$9,894,133 51	Cash		16,987,959 57
4,155,767 27	Time Drafts and Deposits		3,238,858 09
	Special Deposits—		
605,514 25	Total Book Assets	\$617,727 50	
500,000 00	Bonds, this Company's Issue	500,000 00	
\$5 00	Stock	\$5 00	
105,509 25	Cash	117,722 50	
\$105,514 25			117,727 50
253,949 59	Loans and Bills Receivable		111,934 72
355,206 23	Traffic and Car Service Balances Receivable		668,431 05
955,217 25	Net Balance Receivable from Agents and Conductors		1,197,859 79
2,775,771 19	Miscellaneous Accounts Receivable		2,503,554 73
5,879,961 94	Material and Supplies		6,664,609 91
147,147 39	Interest and Dividends Receivable		265,761 80
74,855 25	Rents Receivable		23,228 70
\$24,597,523 87			31,779,925 86
\$45,007 55	DEFERRED ASSETS:		
	Working Fund Advances		\$47,177 39
5,913,500 00	Other Deferred Assets—		
235,688 54	Southern Railway Company's Proportion of Bonds Issued Jointly	\$5,913,500 00	
	Other Accounts	253,424 13	
\$6,149,188 54			6,166,924 13
\$6,194,196 09	UNADJUSTED DEBITS:		
1,408,666 06	Other Unadjusted Debits		6,214,101 52
\$14,018,339 94	Securities Issued or Assumed—Unpledged	\$27,273,339 94	
3,929,000 00	Securities Issued or Assumed—Pledged	3,929,000 00	
\$2,500,000 00	CONTINGENT ASSETS:		
2,500,000 00	L. & N. Terminal Co. Fifty-year 4 per cent Gold Bonds outstanding, endorsed by Lou. & Nash. Rd. Co. and Nash. Chatt. & St. Louis Ry.		2,500,000 00
\$5,000,000 00	Memphis Union Sta. Co. First Mortgage 5 per cent Gold Bonds guaranteed by the Lou. & Nash. Rd. Co. and other interested Railroad Companies		2,500,000 00
\$342,421,723 05			5,000,000 00
	Grand Total		\$352,529,174 10
June 30 1915.	STOCKS:	LIABILITIES.	
\$71,917,200 00	Capital Stock—		
720 00	Full shares outstanding	\$71,917,200 00	
82,080 00	Fractional shares outstanding	720 00	
\$72,000,000 00	Original stock and subsequent stock dividends unissued	82,080 00	
12,116 76			\$72,000,000 00
\$72,012,116 76	Premium on Capital Stock		12,116 76
\$193,770,339 94			\$72,012,116 76
14,018,339 94	LONG TERM DEBT:		
1,092,000 00	Book Liability—		
3,929,000 00	Funded Debt—Unmatured		204,826,164 94
500,000 00	Held by or for this Company—		
\$19,539,339 94	In Treasury	\$27,273,339 94	
\$174,231,000 00	In Sinking Funds	1,163,000 00	
5,913,500 00	Deposited as Collateral	3,929,000 00	
\$180,144,500 00	Special Deposit	500,000 00	
541,159 90			32,865,339 94
\$180,685,659 90	Actually outstanding		\$171,960,825 00
	Liability of Southern Railway Company for Bonds Issued Jointly with this Company		5,913,500 00
			\$177,874,325 00
	Non-Negotiable Debt to Affiliated Companies—Open Accounts		356,087 45
			178,230,412 45
	CURRENT LIABILITIES:		
221,160 92	Traffic and Car Service Balances Payable		312,097 76
3,428,684 20	Audited Accounts and Wages Payable		3,774,811 29
219,885 22	Miscellaneous Accounts Payable		263,518 22
1,848,784 50	Interest Matured, Unpaid		1,943,189 50
94,052 50	Dividends Matured, Unpaid		98,565 00
105,000 00	Funded Debt Matured, Unpaid		130,000 00
1,800,000 00	Unmatured Dividends Declared		2,520,000 00
1,033,785 82	Unmatured Interest Accrued		1,012,224 15
4,444 75	Unmatured Rents Accrued		6,403 07
8,550 00	Other Current Liabilities		9,800 00
\$8,764,347 91			10,070,608 99
190,730 15	DEFERRED LIABILITIES:		
\$1,152,436 46	Other Deferred Liabilities		101,354 47
7,859 46	UNADJUSTED CREDITS:		
10,718,123 67	Tax Liability		1,190,573 56
18,684,320 22	Operating Reserves		5,738 34
256,513 17	Accrued Depreciation—Road		10,829,929 57
852,957 70	Accrued Depreciation—Equipment		20,424,505 27
\$31,672,210 68	Accrued Depreciation—Miscellaneous Physical Property		284,430 65
\$2,356,039 41	Other Unadjusted Credits		1,014,189 83
540,896 49			33,749,367 22
201,604 86	CORPORATE SURPLUS:		
\$3,098,540 76	Additions to Property through Income and Surplus		2,381,192 83
40,998,116 89	Sinking Fund Reserves		615,451 10
\$44,096,657 65	Appropriated Surplus not Specifically Invested		195,918 22
	Total Appropriated Surplus		3,192,562 15
\$2,500,000 00	Profit and Loss—Balance		50,172,752 06
2,500,000 00			53,365,314 21
\$5,000,000 00	CONTINGENT LIABILITIES:		
\$342,421,723 05	L. & N. Terminal Co. Fifty-year 4 per cent Gold Bonds outstanding, endorsed by Louisville & Nash-ville Railroad Co. and Nashville Chattanooga & St. Louis Railway		2,500,000 00
	Memphis Union Station Company First Mortgage 5 per cent Gold Bonds, guaranteed by the Louis-ville & Nashville RR. Company and other interested Railroad Companies		2,500,000 00
			5,000,000 00
	Grand Total		\$352,529,174 10



## SOUTHERN RAILWAY COMPANY

## TWENTY-SECOND ANNUAL REPORT—YEAR ENDED JUNE 30 1916.

Richmond, Va., October 10 1916.

To the Stockholders of Southern Railway Company:

The Board of Directors submits the following report of the affairs of the Company for the year ended June 30 1916:

The industrial characteristics of the year in the South have been revival and expansion. The march of progress, which was interrupted at the outbreak of the European war by the depression in the price of cotton, the South's chief staple, has been resumed. This fact is reflected in the revenues of Southern Railway Company. During the months of July, August and September, 1915, those revenues continued to be on the footing of the conditions which obtained during the previous year, but beginning with October they swelled progressively until they reached a volume greater than at any similar period in the history of the Company. The result was that for the entire year the revenues amounted to \$69,997,675 24, or only slightly less than in the year ended June 30 1914, which still marks the high record on that side of the annual account. On the other side of the account this year there are reflected the lessons of experience learned during the previous year of depression. Expenses were so controlled that in the aggregate they were actually less than in the previous year, to the great advantage of the income over all charges, which grew to \$9,245,703 58, or \$2,215,738 89 more than in 1913, the last previous record in that respect. While this is a gratifying achievement, it must be noted also that the net operating income (\$21,004,005 09), which is the basis of the results secured this year, is the equivalent of a return of only 5.31 per cent on the investment (\$395,722,785 06) in the railroad and equipment which

produced it. It may perhaps be said that there is no industry except a railroad in which so large a capital is risked for such a return in its most successful year.

These results, and the financial condition of the Company at the close of the year, appear in detail in the Income Statement and the General Balance Sheet, as well as in the other tables which are part of this report.

## OPERATING CONDITIONS.

There was a marked increase in efficiency in all the physical operations. With an increase of revenues of 12.54 per cent, and an increase of revenue ton miles of 20.16 per cent, showing the larger volume of business done this year as compared with last, revenue train miles decreased 1.89 per cent and transportation expenses decreased .03 per cent. Transportation costs per dollar of revenue were 32.50 cents, or 11.18 per cent less than in 1915 and 10.57 per cent less than in 1914. This was accomplished in various ways, but "not without dust and heat." Great attention was given to increased loading of trains, and the average loading attained was 441.66 tons, as compared with 382.33 tons in 1915, 339.21 tons in 1914 and 228.24 tons in 1908. In considering these figures, the map of the Southern and the characteristics of its traffic should not be forgotten. The relatively large proportion of branch line mileage operated, on which an arbitrary service must be maintained, and the amount of high class merchandise and perishables carried, are constant limitations of average tonnage. This point may be illustrated by the following comparative statement of the operating results of the several main lines which constitute the back-bone of the system:

	Average Miles Operated.	Per Mile of Road.				Per Train Mile.		Transportation Costs per \$1.00 Revenue.	Operating Costs per \$1.00 Revenue.
		Gross Revenue.	Operating Income.	Freight Revenue.	Revenue Tons.	Freight Revenue.	Total Tons.		
System—This Year.....	7,022.92	\$9,967	\$2,991	\$6,695	719,571	\$3.30	442	32.50c.	69.99c.
Main Lines.....	2,272.61	18,880	7,666	12,542	1,407,910	3.46	500	27.53c.	59.40c.
Washington-Atlanta.....	662.78	25,896	11,049	15,524	1,633,675	3.52	461	26.95c.	57.33c.
Atlanta-Birmingham.....	170.69	12,207	2,004	7,268	918,308	2.55	482	40.70c.	83.58c.
Greensboro-Pinners Point.....	270.19	13,195	7,209	10,931	1,147,981	4.24	476	18.91c.	45.37c.
Bristol-Chattanooga.....	246.13	22,005	9,720	14,679	1,758,588	3.77	560	24.77c.	55.83c.
Morristown-Asheville.....	88.37	26,630	13,102	22,613	2,556,552	3.67	709	20.95c.	50.80c.
Asheville-Salisbury.....	143.00	18,553	5,394	14,127	1,500,892	2.65	477	33.49c.	70.93c.
Asheville-Spartanburg.....	69.51	14,615	4,925	9,241	1,078,185	2.44	412	29.82c.	66.30c.
Spartanburg-Columbia.....	96.70	10,990	4,933	7,458	917,526	5.46	881	23.93c.	55.12c.
Chattanooga-Memphis.....	315.07	10,937	4,197	6,988	827,067	3.34	434	29.51c.	61.62c.
Chattanooga-Macon.....	259.16	16,006	5,149	10,857	1,359,334	3.51	508	32.99c.	67.60c.

To state the operating efficiency results in another way: the unit cost for freight enginemen, trainmen and fuel per ton mile decreased 10.25 per cent as compared with the previous year. The mileage of loaded freight cars increased 15.16 per cent, or, to state it differently, with an increase of 16.22 per cent in freight revenue, the total freight-train car miles, loaded and empty, increased only 8.40 per cent, due to the fact that there was a decrease of empty freight car miles of 7.30 per cent. Freight locomotive fuel costs per 100 ton miles decreased 10.42 per cent as compared with 1915, and 19.81 per cent as compared with 1914, while pounds of coal consumed per 100 ton miles were 6.32 per cent less in 1916 than in 1915 and 14.18 per cent less than in 1914.

The problem of operating economy, and the method of solving it, are both reflected in the following comparative statistics:

	Freight Earnings.	Traction Power of Freight Engines.	Freight Locomotive Miles.	Net Tons Per Mile.
1908.....	\$34,171,329 17	34,900	17,622,105	219.46
1916.....	47,020,481 81	38,112	14,366,475	411.84
Increase ..	37.60%	9.2%		89.03%
Decrease ..			18.47%	

Another important item of true economy has been the progressive control of charges for losses, damages and injuries, as illustrated by the following figures:

## CHARGES FOR LOSSES, DAMAGES AND INJURIES, YEARS ENDED JUNE 30.

	1916.	1915.	1914.
Injuries to Persons.....	\$766,252	\$1,046,183	\$1,293,502
Loss and Damage—Freight.....	\$44,965	962,070	1,072,625
Loss and Damage—Baggage.....	6,248	5,926	10,617
Damage to Stock on Right of Way.....	128,889	155,164	159,186
Damage to Property.....	121,463	113,623	114,159
Totals.....	\$1,867,817	\$2,282,966	\$2,650,092
Decreases:			
1916 vs. 1915 .....		\$415,149	
1916 vs. 1914 .....			\$782,275

These few figures are here cited, not only because they are striking, but because they indicate what has been accomplished by the intelligent work of the operating officers, plus the intelligent investment of capital in facilities for economical operation. Other examples of similar tendencies will be found elsewhere in this report. They are at once a source of pride and of stimulus to the management. They contain also one of two reasons for hope in the present parlous condition of the railway industry. The other reason is the

progressive development of the volume of freight traffic, demonstrating what may be expected from what has been experienced.

## MAINTENANCE

The property has been well maintained, and its actual condition at the close of the year was better than ever it was. During the depression of last year a substantial item of retrenchment was the postponement of maintenance of freight-train cars which were then idle. On June 30 1915 11.65 per cent. of the freight-train cars owned by the Company were in bad order. During this year they were repaired, or, when found to be in such condition, due to age or damage, as not to warrant repair, were retired and charged off the books through the maintenance accounts. On June 30 1916 there were only 1.58 per cent. of the freight-train cars owned by the Company in bad order.

## TAXES.

There was also a large increase in taxes. Of every dollar of revenue 4.17 cents went this year to taxes, as compared with 3.79 cents in 1914, when the revenues were substantially the same. It may be of interest to compare this tendency with that of another item of transportation cost over which earnest effort on the part of management can effect some control. This year all station expenses consumed 6 cents of each dollar of freight and passenger revenue as compared with 6.20 cents in 1914. Doubtless time was when the taxes assessed upon railroad property were, in fact, a contribution by railroad stockholders to government, as many taxing authorities believe they still are, but the fact is that, under regulation, railroad transportation has assumed such a public nature that to-day taxes have become only one of the costs of transportation service, and so are a tax upon commerce to be distributed among all those who use the railroads, directly or indirectly. It is almost as if a court-house was taxed for the support of the court.

## GENERAL EXPENSES.

The cost, assigned by Government authority, to this Company of the Federal valuation of railroads now in progress added \$172,751 62 to the general expenses during the year, an increase of \$74,560 30 over the previous year, making the total of this cost to June 30 1916 \$308,985 92. If this item of the technical account "General Expenses" is deducted, it will be found that the actual cost of administra-



tion of the property and traffic solicitation has been reduced six and one-half per cent. this year, as compared with last, and in greater proportion as compared with previous years.

CHARACTERISTICS OF TRAFFIC DURING A YEAR OF EXPANSION.

FREIGHT.

The forecast in the last annual report respecting freight traffic is happily sustained by the gross freight revenue increase for the year of \$6,561,623 96, equal to 16.22 per cent. Compared with the previous maximum, obtained in 1914, the increase in freight revenue is \$1,388,274 69, equal to 3.04 per cent. The total revenue producing tonnage of 30,272,132 tons exceeds that of the previous year by 4,375,720 tons (16.90 per cent.), and is 621,676 tons in excess of the previous maximum, obtained in 1914.

It is a common fallacy to assume that the success of a railroad in the South depends upon the tonnage of raw cotton carried. In the case of the Southern Railway this year the tonnage of cotton, and cotton seed and its products, actually decreased 239,416 tons (14.5 per cent.), due to the short crop, while the tonnage of all revenue freight increased 4,375,720 tons (16.9 per cent.).

Bituminous coal and coke tonnage was substantially the same as in 1914, and included 126,189 tons passing over the new tippie at Charleston, which was put in operation September 2 1915. But for the scarcity of vessels, and consequent high cost of ocean transportation, it is believed that this new business would have been of much larger volume. The present outlook warrants the belief that our bituminous coal traffic, both domestic and foreign, will rapidly expand, but the percentage of manufactured products handled may be expected always to exceed the coal tonnage. This is one of the characteristics of the Southern Railway which is also part of its operating problem, as already stated.

While we have not, in a large way, shared in the movement of munitions and supplies for the nations at war, we have handled a substantial tonnage of raw materials for the manufacture of munitions as well as some of the munitions.

The following condensed tonnage statement is an illustration of the traffic as well as the operating problem, and, in its balance between raw material, manufactured products and coal, indicates also the strength of the Company's claim to serve the South, and not merely any part or class of it.

	Per Cent. of Total Tonnage.
Manufactures and Miscellaneous.....	29.43
Bituminous Coal.....	28.60
Other Products of Mines.....	12.10
Products of Forests.....	16.90
Products of Agriculture.....	11.86
Products of Animals.....	1.11

A reconstruction of freight charges in the South, in conformity to the amended long and short haul requirement of the Federal law, is in progress, under the direction of the Inter-State Commerce Commission. The first tariffs, containing revised inbound rates, effective January 1 1916, virtually eliminated the so-called "basing-point" system under which some of the more important commercial centres of the interior South enjoyed lower rates from primary markets than were charged to the more numerous, but smaller, intermediate communities. While some of the larger communities which had enjoyed the benefit of the depressed rates feared the effects of the revision, there is no evidence, after a trial of more than six months, of injury to any industrial or commercial interest. It is believed that with the completion of this work of reconstruction, our people, as a whole, will be better satisfied than ever before with our system of rates.

Prospects are favorable for a healthy growth in all lines of freight traffic during the year 1917. The South has had a prosperous year, and intends to have another. As this report is written there is apparent, throughout the South, that feeling of industrial and commercial exhilaration which comes to every Southern man, whether or not he owns any of the staple, with the exultant repetition of the phrase "fifteen-cent cotton."

PASSENGER.

The passenger revenues began showing gains in November, which have since continued, month by month, in amount more than sufficient to recover the losses in revenue occurring during the preceding four months of the year. While the passenger revenues have not yet returned to the highest record, which was made in the year 1914, it is expected that this may be accomplished within the year 1917.

As population multiplies in the territory served, so also do passenger revenues increase, but in greater proportion. For the period 1900 to 1910, the population of the States served by the Southern Railway increased 14.31 per cent. For the period 1910 to 1916 the population of those States increased 7.87 per cent. In the same periods our passenger revenue per mile of road increased 69.23 per cent. and 13.94 per cent., respectively.

The decrease in passenger train mileage this year, as compared with last, was due to rearranging service and taking off trains that did not pay the cost of operation.

As part of the consideration of passenger traffic, attention is called to the statement, published this year for the first time, showing a division of expenses between freight and passenger traffic. From this it will appear that, while passenger trains earned an average of \$1 28 per mile run,

the revenue from passengers was substantially \$1 04 per train mile, and the cost to run a passenger train one mile was \$1 13, or approximately 9 cents per mile greater than the revenue derived from passengers. The prevailing passenger rates are not sufficient adequately to support the character of passenger service furnished to the public.

INDUSTRIAL AND AGRICULTURAL DEVELOPMENT OF THE TERRITORY SERVED.

MANUFACTURING.

There has been, during the year, a steady growth in the number of manufacturing establishments in the territory served by our lines, and many additions have been made to previously existing plants. The development of the year has been through the continued healthy growth of those industries for which the South offers best opportunities. New plants completed during the year were as follows:

Brick, Tile, &c.....	16
Canneries.....	9
Cheese Factories.....	8
Chemicals.....	14
Cotton Seed Products, Ginneries, &c.....	21
Creameries.....	6
Fertilizer.....	5
Flour and Feed.....	108
Furniture.....	12
Iron Products.....	24
Lumber.....	122
Power Developments.....	13
Stone, Coal, Mineral, &c.....	61
Tanneries.....	7
Textile, Clothing, &c.....	30
Woodworking.....	24
Miscellaneous.....	204
Total.....	684

The capital invested in these new industries is \$35,244,550. During the year there were additions made to 320 previously established manufacturing establishments, at a reported cost of \$16,888,950. Plants reported under construction on June 30 1916 were eighty in number, with a capital of \$16,327,700. General improvements, consisting of new buildings of all kinds (except those used in manufacturing), public utilities, &c., cost \$67,548,640.

The United States Census of manufacturing in 1914, the figures for which have recently been completed, shows that, in the five-year period covered by the census, the value of the products of manufacturing in the Southern States traversed by our lines increased 18.44 per cent, as compared with an increase of 17.20 per cent in all other States.

A notable feature of Southern manufacturing development is the rate at which the consumption of cotton, one of the principal raw materials of the South, has increased in Southern mills. United States Census figures show that in the twelve months ended July 31 1916 the mills of the South consumed 3,526,787 bales, as compared with 3,026,969 bales last year, an increase of 499,818 bales, or 16.51 per cent. The mills of all other States consumed 2,869,185 bales in the twelve months this year, as compared with 2,570,393 bales last year, an increase of 298,792 bales, or 11.62 per cent. Fully seventy-five per cent of the cotton spindles of the South are in mills along the lines of Southern Railway Company and its associated companies.

AGRICULTURE.

As the opportunities for profitable farming in the South become better known, numbers of substantial farmers are attracted to locations along our lines, and our reports show 862 sales of farm lands on the Southern Railway during the year, of which 447 were sales to buyers from the North and West. These figures do not represent the total movement of northern and western farmers into the territory, but only those as to whom definite reports are available.

While fully maintaining their production of cotton, which must ever be the leading cash crop of a large part of the South, and their production of tobacco, which is the principal cash crop of some localities, Southern farmers are rapidly adopting systems of diversified farming and crop rotation with the raising of live stock, tending to increase the aggregate net income of the farm and to make the farmer more independent of the fluctuations in the market price of a single commodity. By the extensive growing of soil-building legumes, and by giving more attention to live stock, the productivity of Southern soils is being increased, with corresponding increases in the average yields per acre of cotton and other staple crops.

The outstanding feature of present-day agricultural development in the South is the growth of the live stock industry and the improvement in the quality of Southern farm animals. The longer grazing seasons of the South, and the great variety of forage crops that can be produced, give the South distinct advantages over all other parts of the United States for the production of meats and dairy products. The extent of these advantages is indicated by experiments made by the United States Department of Agriculture in the cost of raising beef cattle in the corn belt, in Pennsylvania, and in Alabama. It was found that the average cost per hundred pounds of raising a calf to the age of twelve to fifteen months was \$11 79 in the corn belt, \$7 24 in Pennsylvania, \$4 41 in North Alabama, and \$4 69 in West Alabama. The conditions under which the Alabama experiments were conducted are similar to those prevailing in a large part of the territory traversed by our lines. The rate at which the quality of Southern farm animals is being



improved is indicated by the fact that 5,836 pure-bred cattle were placed on farms along our lines during the year. In the same period 1,243 silos were built along our lines.

Our reports show the planting of 2,886,000 apple, peach, Satsuma orange and other fruit trees along the Company's lines during the fiscal year.

During the year we continued our policy of co-operation with the State and Federal Governments, agricultural colleges and Southern farmers for the development of agriculture along our lines. Active demonstration work was done on 1,075 demonstration fields and our agricultural agents addressed 453 meetings of farmers during the year, with an attendance of 46,981. This Company was a pioneer in the South in work of that character; now, happily, the duty and the opportunity of such practical education have been largely assumed by Federal authority, supplemented by many volunteer private agencies. Governmental agricultural demonstration has recently been extended, under the so-called "Smith-Lever Act," into most of the counties traversed by our lines. The turning of Southern farmers to diversification has, meanwhile, introduced serious market problems for the individual farmer. For these considerations, our organization engaged in co-operative farm development work was, at the beginning of the present fiscal year, converted into an agency for finding profitable markets for farm products and for bringing producers and purchasers together. A special feature of this work, which is being carried on in co-operation with the Bureau of Markets and Rural Organization in the United States Agricultural Department, and with the agricultural agencies of the States, is the promoting of the organization of associations of small producers to sell together on a co-operative basis.

#### GOOD ROADS.

Incomplete returns to the United States Office of Public Roads show that, during the calendar year 1915, 12,156 miles of improved country roads were built in counties traversed by Southern Railway lines, and that those counties issued bonds for road construction during the year aggregating \$9,026,200. The road and bridge taxes paid by this Company are a substantial contribution to this progress. For the calendar year 1915 such taxes amounted to \$485,524 35, equivalent to interest on \$8,092,000 of six per cent county road bonds.

#### THE ADDITIONS TO CAPITAL ACCOUNT AND TO PROPERTY INVESTMENT.

No new railroad has been built or acquired. While the South undoubtedly needs additional railroads for its full development, there is now small public inducement held out to private initiative to assume the permanent responsibility of operation of a new railroad in territory where traffic must be created. Our use of new capital has been, for some years, devoted to a steady effort to control operating costs on our existing lines, and so, at once, to assure our security holders a return on the capital they have at risk, and to make our lines better instruments to serve the needs and the convenience of the people of the South. The results of this policy are beginning to be apparent in the control of expenses this year.

The investment in road increased \$6,368,548 42, representing net additions made during the year, exclusive of expenditures, amounting to \$2,556,361 67, for double track on the Atlanta & Charlotte Air Line Railway. This investment represents, as stated, betterments for greater economy and efficiency of operation. The investment in equipment account shows a decrease of \$3,137,619 68, brought about by the retirement of old freight cars which were in bad order and unprofitable to repair. The new equipment, to cost \$5,633,029 65, contracted for, but not delivered, during the year, is not yet included in this investment account. Further substantial additions to equipment should be made, during the coming year, to take care of an expanding traffic and to balance the hire of equipment account.

There was no increase in Mortgage Bonds outstanding. Equipment Trust Obligations increased \$2,244,000.

First Consolidated Mortgage five per cent bonds in the amount of \$3,025,000 were sold and the proceeds applied to the redemption of \$1,925,000 of Columbia & Greenville First Mortgage six per cent bonds, which matured on January 1 1916 and \$1,100,000 Serial Mortgage six per cent bonds of Virginia Midland Railway Company, which matured on March 1 1916. These transactions resulted in no increase in the funded debt, while the difference in the interest rates borne by the old bonds and the new means a reduction of \$30,250 in the annual interest charges.

There were drawn, and taken into the treasury, \$5,895,000 Development and General Mortgage four per cent bonds. Of these bonds, \$5,000,000 were drawn, under the terms of the mortgage, for additions and betterments, and the remaining \$895,000 were drawn for the proportion charged to capital of certain equipment trust obligations paid during the year. The total amount of Development and General Mortgage four per cent bonds available for disposition on June 30 1916 was \$38,474,000, of which \$25,267,000 are pledged as collateral for notes, leaving \$13,207,000 of such bonds in the treasury.

There were issued \$5,000,000 one-year five and one-half per cent notes, dated February 1 1916, and the proceeds therefrom applied to the payment of the like amount of three-year five per cent notes which matured February 1 1916.

#### DOUBLE TRACK.

The double track construction work on the main line north of Charlotte, N. C., carrying with it improved alignment and elimination of heavy grades, was completed during the year on 75 miles of the 115 miles of main line between Washington and Charlotte operated as single track at the beginning of the past fiscal year. The work on the remaining 40 miles is rapidly approaching completion, and the entire main line north of Charlotte should be in operation, as a double track railroad on revised grades, early in 1917. On the line between Charlotte and Atlanta, the double track work is nearing completion on the 56 miles between Spartanburg and Central, S. C., and on the 23 miles between Cornelia and New Holland, Ga., and is progressing on the 50 miles between Central and Cornelia and on the existing single track gauntlet of 5.5 miles between Suwanee and Duluth, Ga. Additional funds were made available for carrying on this work through the sale, in March 1916, of \$7,000,000 First Mortgage thirty-year five per cent bonds of The Atlanta & Charlotte Air Line Railway Company. The justification of the policy of double tracking the main line from Washington to Atlanta is seen in the fact that the entire 649 miles of this line earned this year well over \$25,000 a mile in revenue.

There were 491.42 miles of double track in operation at the close of the year, and 60.84 additional miles then completed but not in actual operation.

#### SERVICE OF EMPLOYEES.

During the year the organization of the officers and employees was knit closer than ever before. The confident claim that it is now an efficient organization, working smoothly and heartily together for a common purpose, seems to be justified.

Demands made on behalf of a comparatively small portion of the entire industrial army, in a nation-wide wage movement of train service employees, were apparently supported but half-heartedly, if at all, by our older men. What they would have done in case of a strike it is unnecessary now to conjecture, but it is apparent that they are greatly relieved that no decision was necessary, for, as good citizens, they felt keenly the many pronounced private and public manifestations of disapprobation of the attitude into which the leaders of their brotherhoods had put them. They are, and of right ought to be, a well paid, prosperous and contented class of hard working, self respecting, manly and efficient public servants. They are in no need of humanitarian sympathy, and they have the respect and esteem of their officers.

#### STORM DAMAGE IN JULY 1916.

The property suffered severely from flood and storm at the beginning of the new fiscal year. On July 5th and 6th a tropical hurricane swept over the Gulf Coast region of Alabama. High winds along the coast reached a maximum of 107 miles per hour at Mobile, on the 5th, and for four days were followed by torrential rains over a large part of the State. Southern Railway water-front property at Mobile was badly damaged by wind and water, and traffic on our lines in Alabama, south and west of Birmingham, was interrupted by the washing out of trestles and fills. Repair work was commenced at once, and on July 13th operation was resumed on the last line on which service had been so interrupted.

In the meantime, a second tropical storm developed in the Caribbean Sea and passed over Charleston during the morning of July 14th, causing some local damage. Moving northwest, it reached the Blue Ridge and there recurred to the northeast, passing up into Virginia with rapidly decreasing intensity. The full force of the storm was felt on the watershed in western North Carolina, where, at Alta Pass, on the border between McDowell and Mitchell counties, there was a rainfall of 22.22 inches in the 24 hours between 2 P. M. Saturday, July 15th, and 2 P. M. Sunday, July 16th. This is the greatest 24-hour rainfall recorded in the United States. The streams, already bank-full from the previous rains, were converted into floods, carrying down trees, houses, bridges and wreckage of all kinds, filling railroad cuts and washing out embankments, trestles and bridges. The Catawba River, draining east into the coastal plain, did the chief damage, sweeping away nine railroad and all of the highway bridges which spanned it. Among these were four principal main line bridges of this Company on the radiating Asheville, Charlotte, Columbia and Charleston divisions. The Yadkin River, also draining east, destroyed our North Wilkesboro line for 61 miles through the narrow valley traversed by its upper waters. The French Broad River, draining west through Asheville, wrought devastation upon the roadbed of our Asheville-Morristown main line, which follows that river, but, fortunately, our new concrete bridge at Asheville dammed the debris and held, thus protecting the several steel bridges lower down the river. In the western North Carolina mountains successive avalanches of the water soaked forest soil, facilitated by its large content of mica, swept away the roadbed, obliterating cuts and fills on both our principal trans-mountain lines. In all, 686 miles of our railroad in North Carolina, South Carolina and Tennessee were put out of service by this storm.

Never was the efficiency of the Southern Railway organization so strikingly demonstrated as in dealing with this emergency. Even before the extent of the damage was



known, and while the rains were still falling, materials for repairs were gathered and despatched. Work went on night and day. Temporary crossings of the Catawba River were promptly effected, and the repair of roadway followed progressively. The last line to be opened was that between Asheville and Salisbury, where the damage was greatest, but even there through service was resumed on September 5th. Without taking into account the loss of traffic, and the cost of detouring trains, the total loss to the Company, on account of storm damage during the month of July, is estimated at approximately \$1,250,000.

#### DIVIDENDS.

The income return for the year has led many stockholders to expect an immediate resumption of dividends upon the preferred stock. Mindful of the just claims of the stockholders to share in the Company's prosperity as they have been compelled to suffer in the periods of its adversity, and fully conscious of the fact that the preferred stock dividends are not cumulative, the Board deems it proper to express a firm and deliberate conviction that the interests of the

stockholders will be best served by continuing at this time the policy of conservation of the resources of the Company. When, through the strengthening of those resources and the solution of the problem of permanent financing of existing and future capital requirements, the payment of dividends can be once again confidently resumed, such distribution should reasonably be expected to continue without interruption by periods of temporary business depression. The Board believes that assurance of stability of income is of more real importance to the stockholders than a dividend at this time.

#### ACCOUNTS AND STATISTICS.

The accounts have been examined, as usual, by independent auditors and accountants, Messrs. Patterson, Teele & Dennis, and their certificate is made a part of this report.

Respectfully submitted, by order of the Board.

FAIRFAX HARRISON, *President.*

**Table 1.—INCOME STATEMENT FOR YEAR ENDED JUNE 30 1916, COMPARED WITH YEAR ENDED JUNE 30 1915.**

	* Year Ended June 30.		Increase.	Decrease.
	1916.	1915.		
<b>Operating Revenues:</b>				
Freight .....	\$47,020,481 81	\$40,458,857 85	\$6,561,623 96	
Passenger .....	16,615,857 10	16,175,673 75	440,183 35	
Miscellaneous Passenger-Train .....	368,411 29	353,842 55	14,568 74	
Mail .....	1,458,879 37	1,459,883 47	---	\$1,004 10
Express .....	2,037,282 86	1,688,471 19	348,811 67	
Other Transportation .....	1,085,998 62	931,630 35	154,368 27	
Incidental .....	1,055,146 52	884,531 81	170,614 71	
Joint Facility .....	355,617 67	246,618 56	108,999 11	
<b>TOTAL OPERATING REVENUES .....</b>	<b>\$69,997,675 24</b>	<b>\$62,199,509 53</b>	<b>\$7,798,165 71</b>	
<b>Operating Expenses:</b>				
Maintenance of Way and Structures .....	\$8,175,411 13	\$8,452,119 17	---	\$276,708 04
Maintenance of Equipment .....	11,183,701 34	10,691,267 40	\$492,433 94	
Traffic .....	1,904,129 24	2,110,466 58	---	206,337 34
Transportation .....	22,751,698 00	22,757,597 47	---	5,899 47
Miscellaneous Operations .....	404,167 81	388,228 83	15,938 98	
General .....	2,038,702 18	2,019,621 01	19,081 17	
Transportation for Investment—Credit .....	416,693 58	244,589 87	172,103 71	
<b>TOTAL OPERATING EXPENSES .....</b>	<b>\$46,041,116 12</b>	<b>\$46,174,710 59</b>	<b>---</b>	<b>\$133,594 47</b>
<b>NET REVENUE FROM OPERATIONS .....</b>	<b>\$23,956,559 12</b>	<b>\$16,024,798 94</b>	<b>\$7,931,760 18</b>	
<b>TAXES .....</b>	<b>2,916,426 65</b>	<b>2,595,828 27</b>	<b>320,598 38</b>	
<b>UNCOLLECTIBLE REVENUES .....</b>	<b>36,127 38</b>	<b>28,916 09</b>	<b>7,211 29</b>	
<b>TOTAL OPERATING INCOME .....</b>	<b>\$21,004,005 09</b>	<b>\$13,400,054 58</b>	<b>\$7,603,950 51</b>	
<b>Non-Operating Income:</b>				
Joint Facility Rent Income .....	\$290,695 07	\$284,477 24	\$6,217 83	
Income from Lease of Road .....	67,338 24	65,880 00	1,458 24	
Miscellaneous Rent Income .....	136,225 82	124,440 58	11,785 24	
Net Income from Rail Leased .....	24,077 44	23,280 85	796 59	
Dividend Income .....	1,271,256 09	1,080,243 89	191,012 20	
Income from Funded Securities .....	1,106,342 69	1,071,544 35	34,798 34	
Income from Unfunded Securities and Accounts .....	479,746 72	504,761 05	---	\$25 014 33
Miscellaneous Income .....	46,344 02	84,289 79	---	37,945 77
<b>TOTAL NON-OPERATING INCOME .....</b>	<b>\$3,422,026 09</b>	<b>\$3,238,917 75</b>	<b>\$183,108 34</b>	
<b>Total Gross Income .....</b>	<b>\$24,426,031 18</b>	<b>\$16,638,972 33</b>	<b>\$7,787,058 85</b>	
<b>Deductions from Total Gross Income:</b>				
Hire of Equipment—Balance .....	\$679,354 69	\$837,616 06	---	\$158,261 37
Joint Facility Rents .....	1,054,240 57	1,046,522 17	\$7,718 40	
Rent for Leased Roads .....	1,778,527 90	1,621,040 59	157,487 31	
Miscellaneous Rents .....	40,663 98	40,837 36	---	173 38
Separately Operated Properties .....	189,317 85	183,608 84	5,709 01	
Interest on Unfunded Debt .....	623 59	2,294 52	---	1,670 93
Miscellaneous Income Charges .....	143,175 16	154,681 56	---	11,506 40
<b>TOTAL DEDUCTIONS OF THIS CLASS .....</b>	<b>\$3,885,903 74</b>	<b>\$3,886,601 10</b>	<b>---</b>	<b>\$697 36</b>
<b>TOTAL AVAILABLE INCOME .....</b>	<b>\$20,540,127 44</b>	<b>\$12,752,371 23</b>	<b>\$7,787,756 21</b>	
<b>INTEREST ACCRUED ON FUNDED DEBT .....</b>	<b>\$10,329,591 67</b>	<b>\$10,188,021 65</b>	<b>\$141,570 02</b>	
<b>INTEREST ACCRUED ON EQUIPMENT OBLIGATIONS .....</b>	<b>650,529 16</b>	<b>737,784 54</b>	<b>---</b>	<b>\$87,155 38</b>
<b>DIVIDENDS ACCRUED ON SOUTHERN RAILWAY—MOBILE &amp; OHIO STOCK TRUST CERTIFICATES .....</b>	<b>226,008 00</b>	<b>226,008 00</b>	<b>---</b>	
<b>TOTAL DEDUCTIONS OF THIS CLASS .....</b>	<b>\$11,206,228 83</b>	<b>\$11,151,814 19</b>	<b>\$54,414 64</b>	
<b>BALANCE OF INCOME OVER CHARGES .....</b>	<b>\$9,333,898 61</b>	<b>\$1,600,557 04</b>	<b>\$7,733,341 57</b>	
<b>APPROPRIATION OF INCOME FOR ADDITIONS AND BETTHERMENTS .....</b>	<b>88,195 03</b>	<b>77,187 72</b>	<b>11,007 31</b>	
<b>Balance Carried to Credit of Profit and Loss .....</b>	<b>\$9,245,703 58</b>	<b>\$1,523,369 32</b>	<b>\$7,722,334 26</b>	

**Table 2.**

#### PROFIT AND LOSS YEAR ENDED JUNE 30 1916.

Credit Balance June 30 1915 .....	\$19,751,761 73
Add:	
Credit Balance of Income for the Year .....	9,245,703 58
Net Miscellaneous Credits .....	318,249 92
	\$29,315,715 23
Deduct:	
Discount on Securities charged off during the year .....	\$168,496 77
Property Abandoned and not Replaced .....	45,609 68
Advances to Proprietary Companies written down .....	853,014 00
	1,067,120 45
Credit Balance June 30 1916 .....	\$28,248,594 78



Table 3. GENERAL BALANCE SHEET JUNE 30 1916, COMPARED WITH JUNE 30 1915.

ASSETS.	June 30 1916.	June 30 1915.	Increase.	Decrease.
<b>Investments:</b>				
Investment in Road.....	\$330,204,269 48	\$323,835,721 06	\$6,368,548 42	
Investment in Equipment.....	65,518,515 58	68,656,135 26		\$3,137,619 68
Total Investment in Road and Equipment.....	\$395,722,785 06	\$392,491,856 32	\$3,230,928 74	
Cash Deposited in Lieu of Mortgaged Property Sold.....		\$2,112,590 04		\$2,112,590 04
Physical Property—Rails and Fixtures leased to others.....	\$524,304 70	\$503,161 93	\$21,142 77	
Investments in Affiliated Companies:				
Stocks.....	\$26,736,304 49	\$26,704,106 32	\$32,198 17	
Bonds.....	28,021,459 04	28,015,459 04	6,000 00	
Notes.....	2,237,573 57	1,865,080 94	372,492 63	
Advances.....	1,999,719 29	2,163,429 30		\$163,710 01
Miscellaneous (Matured interest coupons).....	51,455 00	51,455 00		
Total Investments in Affiliated Companies.....	\$59,046,511 39	\$58,799,530 60	\$246,980 79	
Other Investments:				
Stocks.....	\$1,695,693 58	\$996,879 79	\$698,813 79	
Bonds.....	5,169,380 03	5,158,913 45	10,466 58	
Notes.....	63,909 42	52,625 82	11,283 60	
Advances for purchase of Additional Equipment.....	5,633,029 65		5,633,029 65	
Total Other Investments.....	\$12,562,012 68	\$6,208,419 06	\$6,353,593 62	
Total Investments.....	\$467,855,613 83	\$460,115,557 95	\$7,740,055 88	
<b>Current Assets:</b>				
Cash.....	\$7,127,172 20	\$3,075,178 83	\$4,051,993 37	
Time Deposit.....	1,906,448 05	2,126,700 63		\$220,252 58
Special Deposits.....	3,028,298 45	2,932,371 45	95,927 00	
Loans and Bills Receivable.....	570,260 54	1,517,048 80		946,788 26
Traffic and Car Service Balances Receivable.....	1,298,226 89	884,055 85	414,171 04	
Balances due from Agents and Conductors.....	145,419 51	191,527 39		46,107 88
Miscellaneous Accounts Receivable.....	4,533,206 69	3,207,412 32	1,325,794 37	
Material and Supplies.....	6,813,172 27	4,530,946 24	2,282,226 03	
Interest and Dividends Receivable.....	667,411 94	612,433 51	54,978 43	
Other Current Assets.....	276,625 18	170,327 67	106,297 51	
Total Current Assets.....	\$26,366,241 72	\$19,248,002 69	\$7,118,239 03	
<b>Deferred Assets:</b>				
Working Funds Advanced to Agents and Officers.....	\$241,776 27	\$146,360 90	\$95,415 37	
Cash and Securities in Insurance Fund.....	1,133,469 42	954,979 63	178,489 79	
Other Deferred Assets.....	183,992 19	235,228 19		\$51,236 00
Total Deferred Assets.....	\$1,559,237 88	\$1,336,568 72	\$222,669 16	
<b>Unadjusted Debits:</b>				
Insurance Premiums and Rents paid in advance.....	\$13,243 96	\$11,809 10	\$1,434 86	
Unextinguished Discount on Funded Debt (Proportion chargeable to Additions and Betterments to be made).....	120,655 96	162,047 57		\$41,391 61
Additions and Betterments Expenditures in Suspense; Freight Claims in Suspense; Foreign Mileage Suspense and Sundry Items.....	2,848,803 56	2,283,665 64	565,137 92	
Total Unadjusted Debits.....	\$2,982,703 48	\$2,457,522 31	\$525,181 17	
Securities of the Company held by it:				
Unpledged.....	1916. \$13,403,200 00	1915. \$16,108,200 00		
Pledged.....	27,267,000 00	18,667,000 00		
Totals.....	\$40,670,200 00	\$34,775,200 00		
Grand Totals.....	\$498,763,796 91	\$483,157,651 67	\$15,606,145 24	
<b>LIABILITIES.</b>				
<b>Capital Stock:</b>				
Common.....	\$120,000,000 00	\$120,000,000 00		
Preferred.....	60,000,000 00	60,000,000 00		
Total Southern Railway Company Stock.....	\$180,000,000 00	\$180,000,000 00		
Southern Railway-Mobile & Ohio Stock Trust Certificates.....	5,650,200 00	5,650,200 00		
Total Stock.....	\$185,650,200 00	\$185,650,200 00		
<b>Long Term Debt:</b>				
Funded Debt.....	\$226,850,500 00	\$226,844,500 00	\$6,000 00	
Equipment Trust Obligations.....	17,435,000 00	15,191,000 00	2,244,000 00	
Total Long Term Debt.....	\$244,285,500 00	\$242,035,500 00	\$2,250,000 00	
Total Capital Liabilities.....	\$429,935,700 00	\$427,685,700 00	\$2,250,000 00	
<b>Governmental Grants:</b>				
Grants since July 1 1914 in aid of Construction.....	\$31,668 16	\$13,378 25	\$18,289 91	
<b>Current Liabilities:</b>				
Loans and Bills Payable.....	\$455,000 00	\$455,000 00		
Traffic and Car Service Balances.....	1,580,388 41	1,156,567 52	\$423,820 89	
Audited Accounts and Wages.....	6,150,180 05	5,415,499 79	734,680 26	
Miscellaneous Accounts.....	719,561 36	633,395 38	86,165 98	
Interest Matured, including interest due July 1.....	2,818,680 65	2,740,952 65	77,728 00	
Funded Debt Matured—Unpaid.....	40,773 80	22,673 80	18,100 00	
Dividends Accrued—Unmatured.....	56,502 00	56,502 00		
Interest Accrued—Unmatured.....	1,572,760 05	1,578,496 72		\$5,736 67
Rents Accrued—Unmatured.....	203,464 12	249,266 09		45,861 97
Expenses Accrued not vouchered.....	647,908 50	564,335 45	83,573 35	
Other Current Liabilities.....	1,470,638 10	376,357 87	1,094,280 23	
Total Current Liabilities.....	\$15,715,797 34	\$13,249,047 27	\$2,466,750 07	
<b>Deferred Liabilities:</b>				
Equipment of Leased Lines Retired; Deferred Payments Account Reconstruction Rogersville Branch; Contractors' Per Cents Retained and Sundry Items.....	\$1,449,254 66	\$1,385,586 66	\$63,668 00	
<b>Unadjusted Credits:</b>				
Taxes.....	\$1,051,619 99	\$1,011,687 22	\$39,932 77	
Insurance Reserve.....	1,133,469 42	954,979 63	178,489 79	
Operating Reserves.....	3,289,779 83	1,898,431 28	1,391,348 55	
Car and Ticket Mileage Suspense.....	700,219 12	557,821 07	142,398 05	
Depreciation accrued on:				
Rail Leased to Other Companies.....	81,819 37	74,151 18	7,668 19	
Equipment Owned.....	15,472,168 77	15,333,948 50	138,220 27	
Equipment Leased from Other Companies.....	244,196 99	255,061 24		\$10,864 25
Sundry Items.....	559,276 05	144,607 81	414,668 24	
Total Unadjusted Credits.....	\$22,532,549 54	\$20,230,687 93	\$2,301,861 61	
<b>Corporate Surplus:</b>				
Additions to Property, since June 30 1907, through Income and Surplus.....	\$790,020 62	\$577,519 68	\$212,500 94	
Appropriated Surplus not Specifically Invested.....	60,211 81	263,970 15		\$203,758 34
Total Appropriated Surplus.....	\$850,232 43	\$841,489 83	\$8,742 60	
Profit and Loss—Balance.....	28,248,594 78	19,751,761 73	8,496,833 05	
Grand Totals.....	\$498,763,796 91	\$483,157,651 67	\$15,606,145 24	



## CHICAGO TERRE HAUTE AND SOUTHEASTERN RAILWAY COMPANY

FIFTH ANNUAL REPORT—FOR THE YEAR ENDED JUNE 30 1916.

To the Board of Directors, Chicago Terre Haute & Southeastern Railway Co., Chicago, Ill.

Dear Sirs:—We have made an audit of the books and accounts of the CHICAGO TERRE HAUTE & SOUTHEASTERN RAILWAY COMPANY, Chicago, Illinois, for the fiscal year ending June 30 1916, and in accordance therewith certify that, in our opinion, the attached statements of Income Account, Profit and Loss Account and the General Balance Sheet are true exhibits of the results of the operation of the Railway for the said fiscal year, and of its condition as of June 30 1916.

Yours very truly,  
THE AUDIT COMPANY OF NEW YORK,  
HOWARD KROEHL.

Western Manager.

Chicago, September 26 1916.

## INCOME ACCOUNT YEAR ENDED JUNE 30 1916, COMPARED WITH PREVIOUS YEAR.

	1916.	1915.	+ Increase. — Decrease.
<b>Operating Revenues—</b>			
Freight	\$2,270,164 64	\$1,938,416 91	+\$331,747 73
Passenger	193,825 10	189,622 03	+4,203 07
Excess Baggage	1,798 80	2,016 03	—217 23
Mail	12,550 55	10,884 39	+1,666 16
Express	12,302 26	12,962 23	—659 97
Switching	19,828 52	17,479 35	+2,349 17
Hotel and Restaurant	11,070 80	8,723 75	+2,347 05
Demurrage	3,749 00	4,576 00	—827 00
All other Revenue Accounts	2,756 95	1,587 73	+1,169 22
<b>Total</b>	<b>\$2,528,046 62</b>	<b>\$2,186,268 42</b>	<b>+\$341,778 20</b>
<b>Operating Expenses—</b>			
Maintenance of Way and Structures	\$357,695 24	\$286,608 99	+\$71,086 25
Maintenance of Equipment	545,326 68	486,720 24	+58,606 44
Traffic	47,569 15	41,822 77	+5,746 38
Transportation—Rail Line	746,850 96	667,924 47	+78,926 49
Miscellaneous Operations	12,079 61	10,523 36	+1,556 25
General	103,465 37	118,831 46	—15,366 09
Transportation for Investment			
—Cr	Cr.200 50		—200 50
<b>Total</b>	<b>\$1,812,786 51</b>	<b>\$1,612,431 29</b>	<b>+\$200,355 22</b>
<b>Net Revenue from Operations</b>	<b>\$715,260 11</b>	<b>\$573,837 13</b>	<b>+\$141,422 98</b>
Railway Tax Accruals	133,900 00	134,641 34	—741 34
Uncollectible Railway Revenues	286 20	250 46	+35 74
<b>Operating Income</b>	<b>\$581,073 91</b>	<b>\$438,945 33</b>	<b>+\$142,128 58</b>
<b>Non-Operating Income—</b>			
Hire of Freight Cars—Credit			
Balance	\$288,957 10	\$241,080 38	+\$47,876 72
Rent from Locomotives	2,043 17	892 63	+1,150 54
Rent from Passenger Train Cars	13 83		+13 83
Rent from Work Equipment	591 13	226 75	+364 38
Joint Facility Rent Income	14,426 73	14,337 60	+89 13
Miscellaneous Rent Income	4,724 52	4,938 80	—214 28
Income from Unfunded Securities and Accounts	5,342 77	2,095 63	+3,247 14
Miscellaneous	1,939 34	2,021 14	—81 80
<b>Total</b>	<b>\$318,038 59</b>	<b>\$265,592 93</b>	<b>+\$52,445 66</b>
<b>Gross Income</b>	<b>\$899,112 50</b>	<b>\$704,538 26</b>	<b>+\$194,574 24</b>
<b>Deductions from Gross Income—</b>			
Rent for Locomotives	\$18 00	\$18 00	—
Rent for Passenger Train Cars	49 18	44 00	+5 18
Rent for Work Equipment	205 02	71 13	+133 89
Joint Facility Rents	25,895 72	26,964 80	—1,069 08
Miscellaneous Rents	26 00	26 00	—
Miscellaneous Tax Accruals	396 33		+396 33
Interest on Unfunded Debt	92,599 77	88,948 55	+3,651 22
Amortization of Discount	4,254 53	2,745 85	+1,508 68
Miscellaneous Income Charges	776 79	506 69	+270 10
Interest on Funded Debt:			
Sou. Ind. 1st Mtge. Bonds	301,360 00	301,360 00	—
Bed. Belt 1st Mtge. Bonds	12,500 00	12,500 00	—
First & Ref. Mtge. Bonds	212,200 00	212,200 00	—
5% Equipment Gold Bonds	34,500 00	39,000 00	—4,500 00
<b>Total</b>	<b>\$684,781 34</b>	<b>\$684,385 02</b>	<b>+\$396 32</b>
<b>Balance—To Profit and Loss</b>	<b>\$214,331 16</b>	<b>\$20,153 24</b>	<b>+\$194,177 92</b>
See Balance Sheet for interest accruals on Income Bonds.			
President M. J. Carpenter calls attention to the fact that the maintenance charges include—			
for depreciation of steam locomotives; for depreciation of freight train cars			80,752 45
for retirement of freight train cars			40,724 00
making a total of			\$135,859 77

which amount, while charged to operating expenses, does not have to be paid out. Therefore the \$214,331 16, the balance to profit and loss, is the amount of excess earnings which are applicable to bond interest.

## PROFIT AND LOSS JUNE 30 1916.

Miscellaneous (Net)	Debits.	\$11,839 05
Balance, Surplus June 30 1916		441,742 47
		\$453,581 52
Balance June 30 1915	Credits.	\$239,250 36
Balance for year from Income Account		214,331 16
		\$453,581 52

## GENERAL BALANCE SHEET, CONDENSED—JUNE 30 1916.

ASSET SIDE.	
<b>Investments—</b>	
Road to June 30 1914	\$19,692,752 29
Equipment to June 30 1914	5,148,285 24
Road and Equipment since June 30 1914	86,724 73
<b>Total</b>	<b>\$24,927,762 26</b>
Deposits in Lieu of Mortgaged Property Sold	30,924 68
Miscellaneous Physical Property	42,003 67
Miscellaneous Securities	137,009 00
	\$25,137,699 61
<b>Current Assets—</b>	
Cash	\$359,342 31
Special Deposits	27,128 98
Traffic and Car Service Balances Receivable	60,160 07
Net Balance Receivable from Agents and Conductors	40,550 70
Miscellaneous Accounts Receivable	51,475 18
Material and Supplies	221,581 85
Other Current Assets	3,152 70
	\$763,391 79
<b>Deferred Assets—</b>	
Working Fund Advances	982 57
<b>Unadjusted Debits—</b>	
Discount on Funded Debt	\$91,137 86
Other Unadjusted Debits	54,041 75
	145,179 61
<b>Total</b>	<b>\$26,047,253 58</b>
<b>Income Bond Interest Deferred—Contra</b>	<b>1,056,016 67</b>
<b>Grand Total</b>	<b>\$27,103,270 25</b>
LIABILITY SIDE.	
<b>Stock—</b>	
Capital Stock, Common	\$4,300,000 00
<b>* Long-Term Debt—</b>	
First and Refunding Mortgage	
50-year Gold Bonds	\$6,334,000 00
Less held by Company and Pledged for Loans	2,090,000 00
	\$4,244,000 00
Income Mortgage 50-year Gold Bonds	\$6,500,000 00
Less held by Company	163,945 00
	\$6,336,055 00
Southern Indiana First Mortgage	
4% Gold Bonds	\$7,537,000 00
Less held by Company	3,000 00
	\$7,534,000 00
Bedford Belt First Mortgage 5% Gold Bonds	\$350,000 00
Less Refunded—held by Trustee	100,000 00
	\$250,000 00
5% Equipment Gold Bonds—Freight Cars	570,000 00
5% Equipment Gold Bonds—Locomotives	70,000 00
	\$19,004,055 00
<b>Secured Loans—</b>	
Loans secured by Bonds Pledged as above	\$1,480,000 00
<b>Current Liabilities—</b>	
Traffic and Car Service Balances Payable	\$7,922 32
Audited Accounts and Wages Payable	256,418 60
Miscellaneous Accounts Payable	8,879 50
Interest Matured Unpaid	27,012 50
Unmatured Interest Accrued	150,374 98
Other Current Liabilities	1,415 37
	\$452,023 27
<b>Deferred Liabilities—</b>	
Other Deferred Liabilities	
<b>Unadjusted Credits—</b>	
Tax Liability	\$112,781 97
Accrued Depreciation—Equipment	249,041 52
Other Unadjusted Credits	7,391 71
	\$369,215 20
<b>Corporate Surplus—</b>	
Profit and Loss—Credit Balance	\$441,742 47
<b>Total</b>	<b>\$26,047,253 58</b>
<b>Income Bond Interest not Declared—Contra</b>	<b>1,056,016 67</b>
<b>Grand Total</b>	<b>\$27,103,270 25</b>
* For particulars as to extent of lien on various properties refer to trust deeds securing the same.	

## FUNDED DEBT.

Designation of Bond or Obligation.	Term.		Total Par Value Authorized.	Total Par Value Outstanding	Total Par Value Held by Company.		Total Par Value Not Held by Company.		Interest.	
	Date of Issue.	Date of Maturity.			In Treasury.	Pledged as Collateral.	In Hands of Trustee.	In Hands of Public.	Rate.	When Payable
Southern Indiana First Mortgage Gold Bonds	Feb. 1 1901	Feb. 1 1951	\$7,537,000	\$7,537,000	\$3,000	—	—	\$7,534,000	4%	Feb. 1st & Aug. 1st
Bedford Belt First Mortgage Gold Bonds	June 30 1898	July 1 1938	350,000	350,000	—	—	\$100,000	250,000	5%	Jan. 1st & July 1st
C. T. H. & S. E. Ry. First and Refunding 50-year Gold Bonds	Dec. 1 1910	Dec. 1 1960	20,000,000	6,334,000	111,000	\$1,979,000	—	4,244,000	5%	June 1st & Dec. 1st
Income Mortgage 50-year Gold Bonds	Dec. 1 1910	Dec. 1 1960	6,500,000	6,500,000	163,945	—	—	6,336,055	5%	Mar. 1st & Sept. 1st
(Interest paid if earned)										
<b>Total</b>			<b>\$34,387,000</b>	<b>\$20,721,000</b>	<b>\$277,945</b>	<b>\$1,979,000</b>	<b>\$100,000</b>	<b>\$18,364,055</b>		

See note under General Balance Sheet.

## EQUIPMENT TRUST OBLIGATIONS.

Designation.	Date of Issue.	Term.	Number of Payments.	Equipment Covered.	Principal.	
					Original Amount.	Amount Outstanding
Five Per Cent Equipment Gold Bonds. Freight Cars	April 1 1913	10 years	20	900 all-steel self-clearing hopper cars of 100,000 pounds capacity.	\$810,000	\$570,000
Five Per Cent Equipment Gold Bonds. Locomotives	July 1 1913	10 years	10	5 American superheater consolidation freight locomotives and two Baldwin switching locomotives, superheater type.	\$100,000	\$70,000
<b>Total</b>					<b>\$910,000</b>	<b>\$640,000</b>



## THE CINCINNATI GAS AND ELECTRIC COMPANY

(Organized under the laws of Ohio.)

## OFFICIAL STATEMENT TO THE NEW YORK STOCK EXCHANGE IN CONNECTION WITH THE LISTING OF FIRST AND REFUNDING MORTGAGE FIVE PER CENT. FORTY-YEAR SINKING FUND BONDS, SERIES A.

*Cincinnati, Ohio, August 18 1916.*

The Cincinnati Gas & Electric Company (hereinafter referred to as this Company) hereby makes application for the listing of \$4,500,000 (of an authorized issue of \$15,000,000) of its First and Refunding Mortgage Five per Cent. Forty-Year Sinking Fund Gold Bonds, Series A, numbers 1 to 4,500 inclusive, for \$1,000 each, on official notice of issuance in exchange for outstanding temporary bonds.

The bonds, the listing of which is applied for, are secured by a mortgage dated April 1 1916, made to Columbia Trust Company, New York City, as Trustee. Said mortgage and bonds were authorized by resolutions of the directors passed at a meeting held February 23 1916, and by resolutions of the stockholders passed at a meeting held March 27 1916.

The First and Refunding Mortgage is a first lien upon all of this Company's properties, with the exception of securities valued at about \$63,000, and of seven lots in the City of Cincinnati, Ohio, which securities and lots are specifically excepted from the mortgage for purposes of sale, and of seventeen lots in the City of Cincinnati, Ohio. Upon said seventeen lots the First and Refunding Mortgage is a second lien, subject to the prior lien of the mortgage securing the \$1,500,000 bonds of The Cincinnati Edison Electric Company, provision for the refunding of which is made in the First and Refunding Mortgage.

The bonds are dated April 1 1916, mature April 1 1956, and bear interest at the rate of Five per Cent. per annum, payable semi-annually on the first day of April and the first day of October in each year. Both principal and interest are payable and all registrations and transfers of said bonds are to be made at the office of the Trustee, in the Borough of Manhattan, City of New York, or, at the holder's option, at the Central Trust & Safe Deposit Company, in the City of Cincinnati, Ohio. Both principal and interest are payable in gold coin of the United States of or equal to the standard of weight and fineness as it existed on April 1 1916, without deduction for any tax, assessment or governmental charge (other than any Federal or State income tax which this Company or the Trustee may be required to pay or to retain therefrom under any present or future law of the United States of America or of any State, county, municipality or other taxing authority therein).

The bonds of Series A are in coupon form of the denominations of \$1,000 and \$500, are registerable as to principal and are interchangeable with fully registered bonds of the denominations of \$500 and multiples thereof.

The mortgage provides that this Company will pay to the Trustee as a Sinking Fund on April 1 1920, and annually thereafter until all of the bonds shall have been redeemed or paid, a sum equal to One per Cent. of the face amount of bonds which on the day upon which such payment is required to be made shall be issued and outstanding. All payments to the Sinking Fund shall be in gold coin of the United States of America of or equal to the standard of weight and fineness as it existed on April 1 1916, or, at the option of this Company as to the whole or any portion thereof, in bonds at par and accrued interest. The percentage necessary to be so paid in order to retire all of the bonds on or before April 1 1956, is to be determined by the Trustee in 1930, 1940 and 1950 and payments thereafter are to be at such rate and in no event to be less than One per Cent. All installments of the Sinking Fund shall be applied by the Trustee to the purchase in the open market of bonds at prices not exceeding One Hundred and Two per Cent. of the face amount thereof together with accrued interest, and if and to the extent that the same cannot be so applied, then the same shall be applied to the acquisition by lot, on any interest payment date, after four weeks' published notice, of bonds for the Sinking Fund at One Hundred and Two per Cent. of the face amount thereof and accrued interest. Bonds acquired for the Sinking Fund through said annual payments are to be held uncanceled by the Trustee and stamped by the Trustee not negotiable. The mortgage provides that any moneys paid into or added to the Sinking Fund other than through said annual payments, when received by the Trustee, shall be applied to the purchase of bonds in the open market or the acquisition of bonds by lot at not more than Two per Cent. premium and accrued interest, and all bonds so purchased or redeemed are to be cancelled by the Trustee.

This Company at its option may from time to time redeem all or any part of these bonds at One Hundred and Two per Cent. of the face value thereof and accrued interest, on any interest payment date, after four weeks' published notice. All redeemed bonds are to be cancelled.

The mortgage provides that in case default shall be made in the payment of any installment of interest on any of the bonds when and as the same shall become payable and such default shall continue for the period of three months, or in

case default shall be made in the payment of the principal of any of the Cincinnati Edison Electric Company bonds or in the payment of any installment of interest thereon, and by reason of such default any right of action or of entry shall have accrued to the Trustee under the mortgage or lien securing said bonds, or in case default shall be made in the observance or performance of any of the other covenants, conditions and agreements on the part of this Company in the bonds or in the mortgage securing the same contained, and such default shall continue for the period of three months after written notice from the Trustee, or in case an order shall be made for the appointment of a permanent receiver of this Company or of the mortgaged premises or any part thereof, or this Company shall be judicially declared to be bankrupt or insolvent, the Trustee may, and upon the written request of the holders of a majority in amount of the bonds outstanding, shall, by written notice delivered to this Company, declare the principal of all of the bonds then outstanding to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable. This provision, however, is subject to the condition that if at any time after the principal of the bonds shall have been so declared due and payable, and before any sale of the trust estate shall have been made, all arrears of interest upon all of the bonds, with interest on overdue installments of interest at the rate of Six per Cent. per annum, together with the reasonable charges and expenses of the Trustee, its agents and attorneys, shall either be paid by this Company or be collected out of the trust estate, and all other defaults under the mortgage shall have been made good to the reasonable satisfaction of the Trustee, then and in such case the holders of a majority in amount of the bonds then outstanding, by written notice to this Company and to the Trustee, may waive such default and its consequences.

The First and Refunding Mortgage provides that bonds may be issued in series, the bonds of each series to be distinctively designated. All bonds of any one series shall be identical except that they may be of different denominations and may be in coupon and registered form, and except that as between bonds of different denominations and as between coupon bonds and registered bonds there may be such appropriate differences, authorized or permitted by the mortgage, as may be determined by the Board of Directors or the Executive Committee at or before the creation of the series. Any of the coupon bonds may be for \$1,000 or for \$500. Registered bonds may be of the denomination of \$500 or of such multiples thereof as the Board of Directors or the Executive Committee of this Company may from time to time authorize. All coupon bonds will be dated and bear interest from April 1 1916, and registered bonds will be dated and bear interest from the interest day next preceding the date of issue, or from the date of issue if an interest day. All bonds and coupons are to be expressed in the English language, but may also, at the election of the Board of Directors, be expressed in one or more foreign languages, the English text, however, to govern in the construction thereof.

The mortgage provides that, whenever it may be lawful so to do, this Company may issue bonds that shall be payable as to principal and interest without deduction for any Federal or State income tax, or either thereof (which shall be so provided therein) and may provide for the exchange of all existing bonds for such new bonds.

The mortgage provides that the bonds shall be payable in the City of New York, or, at the option of the respective holders, in the City of Cincinnati. If this Company, however, shall so determine, any series of the bonds may be made payable only, or at the option of the respective holders, at some place or places in a foreign country or countries, and in the moneys current at such place or places of payment, at such reasonable fixed rate or rates of exchange as may be expressed in the bonds, and if made payable in some foreign country or countries such bonds may contain such additional provisions as may, in the judgment of this Company, be deemed requisite or expedient to conform to the requirements of law or of commercial usage in the country or countries in which they may be so made payable. In case of the issue of bonds payable in foreign money only, the face amount of such bonds may be a round sum in such money, thus: 500 francs, 2,500 francs or 5,000 francs; or £100 or £200. For the purpose of the limitation prescribed by the mortgage of the principal amount of bonds at any time outstanding thereunder, the amount of bonds payable only in fixed amounts of foreign money which this Company shall be entitled to have issued under the provisions of the mortgage shall be ascertained at the rate of 5.18 francs to the dollar or of \$4 86 1/2 to the pound sterling, as the case may be, and the indebtedness represented by such bonds in United States gold coin shall for all other purposes of the mortgage be



calculated at the same rates. This Company may confer upon the holder of any bond or bonds payable only in foreign money the right to exchange the same upon surrender and cancellation thereof, and of any and all unmatured coupons thereto appertaining and upon such other terms and subject to such adjustments and other conditions and limitations as may be therein expressed or provided, for a bond or bonds payable in United States gold coin, but in any such case, for the purposes of the limitation prescribed by the mortgage of the principal amount of bonds at any time outstanding, the principal amount of bonds payable in United States gold coin issuable upon such exchange shall control if such principal amount shall exceed the amount of such bonds payable in foreign money calculated as above provided.

The bonds covered by this application were issued for the following purposes:

To reimburse this Company for expenditures made or to be made in connection with the acquisition or construction of an electrical generating station on the Ohio River in the City of Cincinnati, with sub-stations, connections and equipment.....	\$4,100,000
To discharge this Company's indebtedness to its lessee (The Union Gas & Electric Company) arising from the expenditure of money by the lessee for the construction of additions, extensions and improvements to this Company's property between April 1 1913 and March 31 1916.....	400,000
	\$4,500,000

The balance of the bonds are issuable as follows:

To reimburse this Company for expenditures in connection with the acquisition or construction of the electrical generating station above referred to.....	\$3,400,000
(Any of these bonds or the proceeds thereof remaining unexpended after the completion of the electrical generating station in full may be used for the general corporate purposes of this Company.)	
Reserved for refunding or purchasing a like face amount of First Mortgage Five Per Cent Twenty-Year Gold Bonds of Cincinnati Edison Electric Company maturing June 1 1917.....	1,500,000
(After all of the said bonds of the Cincinnati Edison Electric Company shall have been paid and the mortgage securing the same shall have been cancelled, any of said \$1,500,000 of reserved bonds may be issued for any of the general corporate purposes of this Company.)	
Reserved for the purpose of providing for the payment of any obligations which shall at any time rest on this Company by reason of its guaranty of \$3,000,000 face amount of First Mortgage Five Per Cent Gold Bonds of Cincinnati Gas Transportation Company.....	3,000,000
(From time to time as the guaranty of this Company on any of said guaranteed bonds shall be cancelled or released or such guaranteed bonds paid or discharged or satisfied, a like face amount of said \$3,000,000 of reserved bonds may be issued for the general corporate purposes of this Company.)	
For the general corporate purposes of this Company.....	2,600,000
	\$15,000,000

By a memorandum of Agreement, dated April 28 1909, between this Company and Cincinnati Gas Transportation Company, this Company agreed that so long as any of the \$3,000,000 of bonds of Cincinnati Gas Transportation Company, payment of which had been guaranteed by this Company, should be outstanding, this Company would not permit any bonds, notes or other obligations to become or be outstanding under any mortgage or lien thereafter to be placed upon any of its property, unless such mortgage or lien should provide for the payment of any obligations which should at any time rest upon this Company by reason of such guaranty equally with any other bonds or obligations that might be secured by such mortgage or lien. The First and Refunding Mortgage of this Company provides that so far, but only in so far, as this Company is required so to do by the terms of said Memorandum of Agreement dated April 28 1909, the mortgage shall be deemed to provide for the payment of any obligations of this Company by reason of its guaranty of said \$3,000,000 of bonds of Cincinnati Gas Transportation Company from time to time outstanding equally with the First and Refunding Mortgage Bonds from time to time outstanding and unpaid.

The Cincinnati Gas & Electric Company was incorporated by special Act of the General Assembly of Ohio passed April 3 1837, under the name of "The Cincinnati Gas Light & Coke Company." The duration of the charter is unlimited. On May 7 1901 the corporate name was changed to "The Cincinnati Gas & Electric Company." In accordance with its charter as amended this Company owns property used in the business of transporting, producing, manufacturing, buying, selling and distributing natural gas and electricity for light, heat, power and fuel in the City of Cincinnati, Hamilton County, Ohio, and elsewhere in said county and in adjacent territory. The authorized Capital Stock of this Company is \$36,000,000. At the time of incorporation of this Company the authorized Capital Stock was \$100,000. The increases in the authorized Capital Stock since 1864 have been as follows:

From	To	From	To
June 22 1864-\$1,500,000	\$2,500,000	May 1 1893-\$7,000,000	\$7,500,000
Sept. 18 1871- 2,500,000	3,000,000	Jan. 22 1894- 7,500,000	8,100,000
Sept. 4 1872- 3,000,000	3,630,000	Dec. 29 1894- 8,100,000	8,500,000
May 4 1874- 3,630,000	3,993,000	Dec. 21 1898- 8,500,000	9,000,000
Sept. 18 1876- 3,993,000	4,250,000	Dec. 21 1900- 9,000,000	9,500,000
May 7 1883- 4,250,000	5,000,000	May 22 1901- 9,500,000	28,000,000
Sept. 18 1884- 5,000,000	5,500,000	Mar. 18 1902-28,000,000	29,000,000
Dec. 18 1885- 5,500,000	6,000,000	May 7 1903-29,000,000	31,000,000
Sept. 2 1889- 6,000,000	6,500,000	Mar. 15 1906-31,000,000	36,000,000
May 4 1891- 6,500,000	7,000,000		

There has been issued \$35,395,000 of stock, of which \$35,056,000 is outstanding in the hands of the public and \$338,700 is held in the treasury of this Company. All of said stock has been issued fully paid and non-assessable, and no personal liability attaches to shareholders. Said stock is of the par value of \$100 per share. Dividends paid on the Capital Stock of this Company for the past fifteen years, all of which have been paid quarterly, have been as follows:

Date.	Length of Period.	Yearly Rate.	Outstanding Capital Stock.	Amount of Dividends.
1901-----	3 months	8%	\$9,000,000 00	\$180,000 00
1901-----	3 months	8%	9,500,000 00	190,000 00
1901-1903-----	1 year, 9 mos.	4%	27,987,200 00	1,959,104 00
1903-----	6 months	4%	29,000,000 00	580,000 00
1903-----	3 months	4%	29,029,600 00	290,296 00
1904-----	3 months	4%	29,234,700 00	292,347 00
1904-----	3 months	4%	29,285,000 00	292,850 00
1904-----	3 months	4 1/2%	30,335,100 00	341,269 87
1904-----	3 months	4 1/2%	30,956,300 00	348,258 38
1905-----	3 months	4 1/2%	30,956,400 00	348,259 50
1905-----	3 months	4 1/2%	30,999,800 00	348,747 75
1905-----	3 months	4 1/2%	30,999,700 00	348,746 62
1905-1906-----	9 months	4 1/2%	30,999,000 00	1,046,243 25
1906-----	6 months	4 1/2%	31,499,800 00	708,745 50
1907-1908-----	2 years	4 1/2%	32,394,800 00	2,915,532 00
1909-----	6 months	4 1/2%	32,694,800 00	776,501 50
1909-----	3 months	4 1/2%	32,944,800 00	391,219 50
1909-1910-----	1 year, 3 mos.	4 1/2%	33,045,000 00	1,962,046 85
1911-----	3 months	5%	33,095,000 00	413,687 50
1911-----	6 months	5%	33,245,000 00	831,125 00
1911-----	3 months	5%	33,445,000 00	418,062 50
1912-----	9 months	5%	34,005,000 00	1,275,187 50
1912-1913-----	6 months	5%	34,285,000 00	857,125 00
1913-----	6 months	5%	34,545,000 00	863,625 00
1913-1916-----	2 years, 9 mos.	5%	35,056,300 00	4,820,241 25
Total-----				\$22,799,221 47

On September 1 1906, this Company leased its properties to The Union Gas & Electric Company for a term ending October 1 2005. This lease has been subordinated to the First and Refunding Mortgage by an agreement dated April 1 1916, amending certain of the provisions of the lease, and by an agreement also dated April 1 1916, known as the Subordination Agreement. By the terms of said amending agreement of April 1 1916, it is provided that The Union Gas & Electric Company shall pay as rental for the use of the property of The Cincinnati Gas & Electric Company as follows:

1. An amount equal to Five per Cent upon the outstanding Capital Stock of this Company, whether then outstanding or thereafter issued with the consent of the lessee, payable in quarterly installments on the twenty-fifth days of March, June, September and December.
2. Also the sum of \$20,000 payable in advance in equal quarterly installments of \$5,000 on the first days of April, July, October and January; and also, annually during the construction of the electrical generating station, to be erected on the Ohio River in the City of Cincinnati on this Company's property, not exceeding a period in the aggregate of three years the additional amount of \$5,000 payable in like installments and on like quarterly dates.
3. Also amounts equal to the interest on any of the \$1,500,000 First Mortgage Five Per Cent Twenty-Year Gold Bonds of the Cincinnati Edison Electric Company, so long as they remain outstanding, payable in installments equal to the aggregate interest accruing from time to time on said bonds and at least five days in advance of maturity.
4. Also amounts equal—
  - (a) To the interest on the First and Refunding Mortgage Bonds which may be from time to time outstanding, payable in installments equal to the aggregate interest accruing from time to time on said bonds, at least five days in advance of maturity, and
  - (b) To the annual sinking fund installments which from time to time may become payable under the First and Refunding Mortgage, payable at least five days in advance of the dates at which respectively such installments shall under the terms of the First and Refunding Mortgage become payable, and also any payments which this Company shall be required to make for services rendered by the Trustee under said First and Refunding Mortgage and for the registration of bonds, payable on the demand of this Company.
5. Also all taxes, license fees, charges upon or on account of the Capital Stock or earnings of this Company, and all other taxes, rates, duties, impositions, assessments, water rents and charges of every kind and character, whether general or special, ordinary or extraordinary, theretofore assessed, or that may be lawfully imposed upon this Company, at any time during the Agreement, for or on account of its property, Capital Stock, earnings, dividends, rentals, rights, privileges, franchises, business, income or otherwise, whether imposed by the United States, State, municipality or any other lawful authority whatsoever.
6. Also all rents for the use or occupation of any part of the demised premises for all periods within the terms of the Agreement, under any lease or contract executed by this Company prior to September 1 1906, or thereafter with the consent and approval of The Union Gas & Electric Company.

It is also provided in said agreement that The Union Gas & Electric Company, while in possession of the demised premises, shall provide without charge, in its office building in the City of Cincinnati, reasonable office quarters for this Company; shall at its own cost and expense comply with the insurance clauses of any existing mortgage upon the demised premises and with the insurance clause of the First and Refunding Mortgage, and shall keep all insurable property leased under the Agreement insured in good and solvent companies satisfactory to this Company, against loss or damage by fire, to the extent to which such properties are customarily insured; and shall maintain and preserve the demised premises as a going concern, keep the demised premises in good order and repair as a first-class and efficient gas and electric plant for light, heat, power and fuel purposes, and operate the demised premises in good faith and to the best of its ability so as to meet all reasonable demands of public and private consumers and protect and preserve the rights, privileges, franchises and contracts of this Company.

Under said Agreement the Union Gas & Electric Company, out of its gross receipts from operations, agrees to set aside on the first day of April in 1917 and in 1918 One per Cent. thereof for the year ending on that date, but not less than \$50,000, and on each first day of April thereafter Two per Cent. of said receipts for the year ending on said date, but not less than \$100,000. Such amounts are to constitute a depreciation fund and non-capital expenditures for any calendar year for renewals or replacements shall be met out of this fund, so far as it shall suffice, and otherwise be borne by the lessee. Any remainder of the depreciation fund shall be applied toward capital expenditures for such calendar year, and, so far as this fund shall not suffice, The Cincinnati Gas & Electric Company will bear the capital expenditures in the following manner: It will bear the whole amount of capital expenditures made or incurred for practically all extraordinary replacements; it will bear Eighty per Cent. of other capital expenditures made or incurred on or after April 1 1916, and prior to April 1 1926; Seventy per Cent. thereafter to April 1 1936, and Sixty per Cent. after April 1 1936. The balance of said capital expenditures are to be



made by the Lessee. The above payments by this Company and by the lessee are to apply only so long as there are funds available from the proceeds of the First and Refunding Mortgage Five per Cent. Gold Bonds. This Company is to procure said bonds to be issued to the amount, but no more than requisite to make such payments. When all of said bonds available for such purpose shall have been issued or become issuable, then, as between this Company and the lessee, neither thereof shall be under any obligation or duty by reason of the Agreement or the lease of 1906 or otherwise to make or incur any capital expenditures. The lessee is entitled to credit itself as to the depreciation fund with expenditures in each year made by it for any purposes to which the depreciation fund may be applied. The capital expenditures are defined to be those for acquisition of lands, easements and other rights or interests in real property, for the acquisition or construction of extensions, betterments or improvements to the leased premises or for the equipment thereof or for any other purpose which, under the regulations at the time in force of the Public Utilities Commission of Ohio or other Commission having authority in the premises, or with the approval of any such Commission, or, if no such commission and no such regulations are in existence, then under well recognized systems of accounting, may be properly chargeable against capital; provided that only expenditures for which capital in the form of mortgage bonds may be issued shall be deemed chargeable against capital, and the approval of the issue by any Commission having jurisdiction of the issue of capital in respect of expenditures shall be conclusive that they are capital expenditures. All other expenditures are termed non-capital expenditures. All betterments, extensions, improvements and additional property, in respect to which, or any part of which, this Company or the Lessee shall make payment pursuant to the Agreement, shall become the property of this Company.

Upon sixty days' notice, the Lessee may purchase, upon any quarterly rental day, the demised premises and other property of this Company, but subject to the First and Refunding Mortgage Bonds then outstanding and to any prior mortgage specified therein and to any other mortgage or charge created with the consent of the Lessee, (a) at any time on or before April 1 1921, for a sum equal to the par amount then outstanding of the Capital Stock of this Company, and (b) at any time after April 1 1921, during the term of the Agreement for a sum equal to One Hundred and Fifteen per Cent. of the par amount of the then outstanding Capital Stock. If the City of Cincinnati shall take both the gas and electric plants pursuant to contract existing prior to the Lease of 1906, or by eminent domain, for the purpose of establishing a municipal plant, the term shall terminate and the proceeds of such taking not required to be dealt with by the First and Refunding Mortgage or other mortgage on the plants prior to the Lease of 1906 and the Agreement, shall be dealt with as follows: Such net proceeds shall be paid to this Company to an amount equal to the option price, and the residue, if any, shall be paid to the Lessee; and if the Lessee elect to purchase the demised premises and property of this Company, such payment shall be deemed payment to this Company on account of the purchase price thereof. If the City of Cincinnati, for the purpose aforesaid, shall take the gas plant without the electric plant or the electric plant without the gas plant, the Lessee may terminate the term. So far as not required by the First and Refunding Mortgage, or any other mortgage on the plants, the lien of which shall be prior to the Lease of 1906 and the Agreement, the net proceeds of such taking shall be applied as follows: If the Lessee elect to terminate the term, they shall be dealt with as provided in case both the gas and electric plants shall be taken; if the net proceeds exceed the option price, the Lessee shall be deemed to elect to terminate the term and the net proceeds shall be dealt with in the same manner as above; if the net proceeds do not exceed the option price and the Lessee does not elect to terminate the term, they shall be paid to this Company and this Company's outstanding Capital Stock shall be reduced by a par amount equal to the whole of the net proceeds of such taking and the rental from the date of such payment to this Company shall be reduced by a sum equal to that which would otherwise have been payable as rent in respect of the stock so reduced or to be reduced. If there be a subsequent mortgage or other charge on the plant not assented to by the Lessee, the rent shall be reduced as above stated, *i. e.*, by a sum equal to Five per Cent. on the whole of the net proceeds of such taking, although the actual proceeds may be paid pursuant to the terms of such mortgage or charge. If any part of the demised premises be taken by the City of Cincinnati by eminent domain, other than for the establishment of a municipal gas or electric plant, or if any part shall be taken by any authority clothed with the power of eminent domain, the proceeds of such taking not required to be otherwise applied by the First and Refunding Mortgage, or by other mortgage prior to the Lease of 1906 and the Agreement, shall be applied by this Company, under the direction of the Lessee, to the capital expenditures for which this Company is liable under the Agreement.

Without the consent of the Lessee this Company agrees not to increase or reduce its authorized Capital Stock or to mortgage or encumber the demised premises, except subject to the First and Refunding Mortgage and to the Agreement.

The Lessee agrees to deposit with a trustee a fund of \$3,000,000 in cash, as security for the performance of its agree-

ments under the Lease and the Agreement. This guaranty fund may be invested and reinvested by direction of the Lessee, subject to the approval of this Company in writing, in obligations of the United States of America or of some State, County, District or Municipality or other political subdivision thereof, or in other securities if approved by a majority of the Capital Stock of this Company at a special meeting called for that purpose. The guaranty fund, at the present time, consists partly of cash and partly of securities other than those in which it is provided by the Agreement the cash may be invested, and the Lessee agrees to deposit cash in place of said securities at a rate which on December 1 1919, will have created a fund of said \$3,000,000 in cash, subject, however, during such time, to reinvestment as above stated. The Lessee agrees, on the first day of each month after December 1 1919, to deposit in said fund \$25,000 until such deposits shall have aggregated \$750,000; provided, however, that if, after all the First and Refunding Mortgage bonds have been issued or the mortgage has been closed, the face amount of said bonds outstanding shall not exceed the aggregate of installments paid upon said \$750,000 to be paid in addition to the \$3,000,000, then the Lessee shall from time to time be entitled to repayment out of said guaranty fund of the amounts by which from time to time the face amount of the outstanding First and Refunding Mortgage bonds shall be reduced below the aggregate of the installments. The Columbia Gas & Electric Company, a corporation of West Virginia, which controls the Lessee, has, by agreement dated April 1 1916, between this Company, the Lessee and said Columbia Gas & Electric Company, guaranteed said payments into said guaranty fund by the Lessee. In case of payments by the Columbia Gas & Electric Company the securities now in said fund not available as investments for said fund, shall be delivered to Columbia Gas & Electric Company instead of to the Lessee.

The properties of this Company are as follows:

The natural gas system of The Cincinnati Gas & Electric Company as of May 1 1916, consisted of 750 miles of gas mains, supplying 110,953 consumers through 114,049 meters distributed in 16 separate municipalities, hereinafter referred to, with a population aggregating 500,000; 727 miles of the total is heavy cast iron main, the remainder being of steel. Connected to these mains are nine gas holders with an aggregate capacity of 10,000,000 cubic feet, and serving as temporary reserves to the high pressure lines from the fields. Of these nine gas holders, six are located at the West End Gas Works, in the City of Cincinnati, on the Ohio River, at the corner of First and Rose Streets, and three are located at the East End Gas Works, in the City of Cincinnati, on the Ohio River, on Eastern Avenue between Marmet and St. Andrew Streets.

The property also includes two large artificial gas plants, one located at the West End Gas Works and one at the East End Gas Works, with rated aggregate capacity per day of 13,980,000 cubic feet of coal gas and 2,500,000 cubic feet of water gas, which have been shut down since the introduction of natural gas into Cincinnati, and are now held as reserves.

The natural gas distributed through the property of The Cincinnati Gas & Electric Company is purchased by The Union Gas & Electric Company, the lessee of said property, from Columbia Gas & Electric Company, whose fields are located in West Virginia, and from Ohio Fuel Supply Company, whose fields are located in Ohio, and which Companies in turn purchase gas from other companies. The fields from which the natural gas is procured aggregate approximately one million acres, of which only about fifteen per cent. is at present developed and operated. It is estimated that natural gas will continue to be procured from these fields for a period of from thirty to fifty years.

The following cities and towns receive their supply of natural gas exclusively through the system of The Cincinnati Gas & Electric Company: Cincinnati, Norwood, Elmwood, Wyoming, St. Bernard, Arlington Heights, Reading, Cheviot, Lockland, Glendale, Williamsdale, Woodlawn, Silverton, Deer Park, Mt. Healthy, Rensselaer Park.

As above stated, the population of these cities and towns aggregates 500,000.

The electric plant of The Cincinnati Gas & Electric Company on May 1 1916, was supplying electricity to 24,496 consumers, through 25,045 electric meters, using for this service 516 miles of pole line, 328 miles of underground duct and 34 miles of so-called Edison underground tube.

The consumers are distributed among the following eleven separate municipalities, all in Ohio, having an aggregate population of 450,000, with a total connected load of 70,648 K. W., of which quantity 29,306 K. W. has consisted of electric motors requiring long hour service, *viz.*: Cincinnati, Norwood, St. Bernard, Cheviot, Bridgetown, Arlington Heights, Elmwood Place, Glendale, Woodlawn, Wyoming, Lockland.

Among the consumers of electricity are 6,500 luminous are lamps furnished under a ten-year street lighting contract with the City of Cincinnati, having seven years remaining life.

The electric energy supplied to this territory is generated in this Company's power station located in the heart of Cincinnati, and having a rated capacity of 29,200 K. W.

Much of this energy is transmitted from the power station direct to the consumers' premises, the remainder being transmitted to six substations scattered over the Ohio territory



served, and to the generating station supplying Covington and Newport, Ky. The six substations referred to are all located in the City of Cincinnati, as follows:

- (1) Gano Substation, at the corner of Gano and Lodge Alleys;
- (2) Fourth and Plum Substation, at the corner of Fourth and Plum Streets;
- (3) Walnut Hills Substation, at the corner of Myrtle and Preston Streets;
- (4) Camp Washington Substation, at the corner of Colerain and Elam Streets;
- (5) Price Hill Substation, at the corner of Warsaw and Garfield Streets;
- (6) Wyoming Substation, at the corner of Vine Street, north of Wyoming Avenue.

The generating station supplying Covington and Newport, which is not owned by The Cincinnati Gas & Electric Company, is located in Newport, Ky.

At these substations the power received from the generating station is transformed, stored and regulated to whatever degree or in whatever manner is required for a suitable distribution to the consumers connected thereto.

Steam is generated in thirty modern water tube boilers, aggregating 15,623 rated horse-power, and fully equipped with mechanical stokers fed by gravity with coal from the overhead bunkers, thus requiring a minimum of labor. Twenty-two of these boilers are also equipped for firing with natural gas.

The electric generating equipment in the power plant of The Cincinnati Gas & Electric Company, which is located at the corner of Plum and Charles Streets, in the City of Cincinnati, consists of steam engine and steam turbine driven electric generators of both alternating and direct current types, together with motor generator sets for converting such alternating current into direct current, as varying economic considerations may require. This generating station also houses about one-third of the total arc street lighting apparatus required by the City.

Two of the substations (the Gano and the Fourth and Plum Streets substations), located in the central business district in the City of Cincinnati, are each equipped with motor generators of modern and efficient type, converting alternating current to direct current for distribution through the underground mains, and with large storage batteries which insure both an unvarying pressure, and absolute continuity of service. The remaining four substations are located in outlying districts throughout the City of Cincinnati in accordance with load requirements, and are equipped with transformers and control apparatus for street lighting service, and with regulators for commercial lighting service.

The following cities and towns receive their supply of electricity from The Cincinnati Gas & Electric Company's property: Cincinnati, Elmwood, Wyoming, Arlington Heights, Bridgetown, St. Bernard, Lockland, Glendale, Cheviot, Woodlawn, Norwood.

This Company's property includes a brick, steel and stone office building in the business district of the City of Cincinnati, a brick, steel and concrete distributing warehouse for gas and electricity supplies; a five story brick building adjacent to the office building and used as a garage and an electric meter and arc lamp shop, together with various brick and concrete buildings for the housing of artificial gas purifying equipment, gas compressing apparatus and general storage purposes.

This Company's franchises are as follows:

Town or City.	Character.	Date.	Term.
Cincinnati, Ohio	Gas	June 16 1841	perpetual*
Cincinnati, Ohio	Natural gas	Dec. 26 1905	25 years
Cincinnati, Ohio	Electric	Nov. 17 1893	perpetual*
Norwood, Ohio	Natural gas	Oct. 16 1905	25 years
St. Bernard, Ohio	Natural gas	Sept. 5 1907	25 years
Cheviot, Ohio	Natural gas	May 16 1906	25 years
Cheviot, Ohio	Electric	Nov. 18 1903	25 years
Elmwood, Ohio	Natural gas	April 19 1906	25 years
Elmwood, Ohio	Electric	May 19 1900	25 years
Reading, Ohio	Natural gas	April 18 1906	25 years
Lockland, Ohio	Natural gas	Sept. 25 1907	25 years
Lockland, Ohio	Electric	Feb. 13 1905	10 yearsx
Mt. Healthy, Ohio	Natural gas	April 23 1910	25 years
Wyoming, Ohio	Natural gas	Sept. 16 1907	25 years
Wyoming, Ohio	Electric	Dec. 21 1914	15 years
Glendale, Ohio	Natural gas	Mar. 5 1906	25 years
Glendale, Ohio	Electric	Feb. 4 1907	25 years
Silverton, Ohio	Natural gas	Aug. 8 1907	25 years
Silverton, Ohio	Electric	May 16 1907	25 years
Arlington Heights, Ohio	Natural gas	April 3 1906	25 years
Arlington Heights, Ohio	Electric	Dec. 2 1913	10 years
Cincinnati, Ohio	Gas price ord.	Dec. 26 1905	10 yearsy
Cincinnati, Ohio	Elec. price ord.	Nov. 2 1915	10 years
St. Bernard, Ohio	Nat. gas price ord.	Sept. 5 1907	10 years
Cheviot, Ohio	Nat. gas price ord.	May 16 1906	10 years
Elmwood, Ohio	Nat. gas price ord.	April 19 1906	10 years
Reading, Ohio	Nat. gas price ord.	April 18 1906	10 years
Lockland, Ohio	Nat. gas price ord.	Sept. 25 1907	10 years
Mt. Healthy, Ohio	Nat. gas price ord.	April 23 1910	10 years
Wyoming, Ohio	Nat. gas price ord.	Sept. 16 1907	10 years
Glendale, Ohio	Nat. gas price ord.	Mar. 5 1906	10 years
Silverton, Ohio	Nat. gas price ord.	Aug. 8 1907	10 years
Arlington Heights, Ohio	Nat. gas price ord.	April 3 1906	10 years
Norwood, Ohio	Nat. gas price ord.	Oct. 27 1905	10 yearsy

\* Unless the property is purchased by the City, in which case the price is to be settled by arbitration.

x Now negotiating new franchise.

y Has been extended by temporary ordinance until fixing of new rate.

The sales of natural gas and electricity in the operation of the Cincinnati Gas & Electric Company's property for the past five years have been as follows:

	Natural gas, cubic feet.	Electricity, K. W.
1911	11,391,619,800	52,343,100
1912	12,958,657,400	58,182,260
1913	13,567,356,900	53,352,558
1914	14,244,118,200	53,062,085
1915	14,413,841,800	73,861,357

The number of employees in the operation of the property has been as follows:

Year ending June 30 1912	685
Year ending June 30 1913	728
Year ending June 30 1914	773
Year ending Dec. 31 1915	715

In addition to the \$4,500,000 of First and Refunding Mortgage Bonds, this Company has assumed said \$1,500,000 of the Cincinnati Edison Electric Company's First Mortgage Bonds outstanding, all of which are secured upon part of the properties of this Company. The mortgage securing these bonds has been closed. This Company has guaranteed \$3,000,000 of a total authorized issue of \$5,000,000 of Cincinnati Gas Transportation Company's First Mortgage Five Per Cent. Gold Bonds due July 1 1933. These same bonds have also been guaranteed by Columbia Gas & Electric Company, a West Virginia corporation. The mortgage securing these bonds has been closed. The consideration for this guarantee was the receipt by this Company of \$3,000,000 of preferred stock of the Cincinnati Gas Transportation Company, being the total authorized issue. This stock is non-dividend bearing until all of said \$5,000,000 of bonds have been retired through the Sinking Fund, under which \$250,000 of bonds are retired annually. There are outstanding \$3,676,000 of bonds and \$1,324,000 have been retired through the Sinking Fund. The Cincinnati Gas Transportation Company is a West Virginia corporation owning and operating 183 miles of pipe line running across the State of Kentucky and into the City of Cincinnati. It has outstanding \$2,000,000 of common stock, which is the total authorized issue.

The earnings of The Cincinnati Gas & Electric Company for the years 1911 to 1914, inclusive, were as follows:

	Year 1911.	Year 1912.	Year 1913.	Year 1914.
Earnings—				
Rentals received from Union Gas & Elec. Co.	1,689,750 00	1,727,250 00	1,760,032 50	1,772,815 00
Miscellaneous, including interest on securities owned	678 56	1,528 37	965 87	2,006 22
Total earnings	1,690,428 56	1,728,778 37	1,760,998 37	1,774,821 22
Deduct expenses	15,367 02	13,808 95	13,291 54	15,041 21
Net earnings	1,675,061 54	1,714,969 42	1,747,706 83	1,759,780 01
Deduct div'ds paid	1,669,750 00	1,707,250 00	1,740,032 50	1,752,815 00
Surplus	5,311 54	7,719 42	7,674 33	6,965 01

#### INCOME ACCOUNT FOR THE YEAR ENDED DEC. 31 1915:

Earnings—	
Rentals received from Union Gas & Electric Co.	\$1,772,815 00
Miscellaneous (including interest on securities owned)	2,222 83
Total earnings	\$1,775,037 83
Deduct expenses	17,076 24
Net earnings	\$1,757,961 59
Deduct dividends paid	1,752,815 00
Surplus	\$5,146 59

#### BALANCE SHEET AS OF DEC. 31 1915.

ASSETS.	
Plants and tangible property	\$20,622,670 40
Intangible property (franchises, &c.)	15,597,981 98
Cash	9,463 63
Preferred Stock Cincinnati Gas Transportation Company	3,000,000 00
Other securities	55,751 94
Accounts receivable *	336,731 43
	\$39,622,599 38

#### LIABILITIES.

Capital Stock: (Authorized \$36,000,000)	
Issued	\$35,395,000 00
In Treasury	338,700 00
Outstanding in hands of public	\$35,656,300 00
Bonds Cincinnati Edison Electric Co.	1,500,000 00
Guarantee—Cincinnati Gas Transportation Co. Bonds	3,000,000 00
Union Gas & Electric Co.	43 34
Surplus	66,256 04
	\$39,622,599 38

#### INCOME ACCOUNT FOR FIVE MONTHS ENDING MAY 31 1916.

EARNINGS.	
Rentals received from Union Gas & Elec. Co.	\$739,506 25
Miscellaneous (including interest on securities owned)	15,734 09
	\$755,240 34
EXPENSES.	
Dividends	\$730,339 59
Expenses	9,986 25
	740,325 84
	\$14,914 50

#### BALANCE SHEET AS OF MAY 31 1916.

ASSETS.	
Plants and tangible property	\$20,979,532 79
Intangible property (franchises, &c.)	15,597,981 98
Cash	3,837,684 67
Accounts receivable *	336,731 43
Preferred Stock Cincinnati Gas Transportation Co.	3,000,000 00
Securities owned (bonds of the City of Cincinnati)	63,600 83
Advanced to The Union Gas & Electric Co. for power house construction	99,956 66
Discount on bonds (to be amortized through the Sinking Fund during the life of the bonds)	225,000 00
	\$44,140,488 36

#### LIABILITIES.

Capital Stock: (Authorized \$36,000,000)	
Issued	\$35,395,000 00
In Treasury	338,700 00
Outstanding in hands of public	\$35,056,300 00
First and Refunding Mortgage 5% Gold Bonds, maturing April 1 1946	4,500,000 00
Bonds—Cincinnati Edison Electric Co.	1,500,000 00
Guarantee on Cincinnati Gas Transportation Co. Bonds	3,000,000 00
Surplus	81,170 54
Accounts payable	3,017 82
	\$44,140,488 36

\* Amount of net quick assets leased to The Union Gas & Electric Co. Sept. 1 1906, which are to be repaid at termination of lease.

x As hereinabove stated, the bonds of the Cincinnati Edison Electric Co. mature June 1 1917 and \$1,500,000 of the First and Refunding Mortgage Bonds of this Company are reserved for refunding or purchasing said bonds.

z The bonds of the Cincinnati Gas Transportation Co. mature July 1 1933. As hereinabove stated, \$3,000,000 of the First and Refunding Mortgage Bonds of this Company are reserved to provide for the payment of any obligations which shall at any time rest upon this Company by reason of its guaranty of said bonds of the Cincinnati Gas Transportation Co.



This Company agrees with the New York Stock Exchange as follows:

In the event that it shall have any constituent, subsidiary, owned or controlled companies, not to dispose of its stock interest in any constituent, subsidiary, owned or controlled company, or allow any of said constituent, subsidiary, owned or controlled companies to dispose of stock interests in other companies unless for retirement and cancellation, except under existing authority or on direct authorization of stockholders of the company holding the said companies.

To publish at least once in each year and submit to the stockholders, at least fifteen days in advance of the annual meeting of the corporation, a statement of its physical and financial condition, an income account covering the previous fiscal year, and a balance sheet showing assets and liabilities at the end of the year; also annually an income account and balance sheet of all constituent, subsidiary, owned or controlled companies, if any.

To publish semi-annually an income account and balance sheet.

To maintain, in accordance with the rules of the Stock Exchange, a transfer office or agency in the Borough of Manhattan, City of New York, where all listed securities shall be directly transferable, and the principal of all listed securities with interest or dividends thereon shall be payable; also a registry office in the Borough of Manhattan, City of New York, other than its transfer office or agency in said City, where all listed securities shall be registered.

Not to make any change in listed securities, of a transfer agency, of a registrar of its stock, or of a trustee of its bonds or other securities, without the approval of the Committee on Stock List, and not to select as a trustee an officer or director of the Company.

To notify the Stock Exchange in the event of the issuance of any rights or subscriptions to or allotments of its securities and afford the holders of listed securities a proper period within which to record their interests after authorization, and that all rights, subscriptions or allotments shall be transferable, payable and deliverable in the Borough of Manhattan City of New York.

To publish promptly to holders of bonds and stocks any action in respect to interest on bonds, dividends on shares, or allotments of rights for subscription to securities, notices thereof to be sent to the Stock Exchange, and to give to the Stock Exchange at least ten days' notice in advance of the closing of the transfer books or extensions, or the taking of a record of holders for any purpose.

To notify the Stock Exchange if deposited collateral is changed or removed.

The Officers are: Charles D. Jones, President; Rufus B. Smith, First Vice-President; Samuel Assur, Second Vice-President; Edward H. Ernst, Secretary-Treasurer; Theodore Clauss, Assistant Secretary; H. W. Lothmann, Assistant Treasurer.

The Directors (elected annually) are: Samuel Assur, Alfred M. Cohen, Edward H. Ernst, C. L. Harrison, Charles D. Jones, H. W. Lothmann, M. E. Moch, Rufus B. Smith, Wm. H. Stewart, Charles F. Windisch, all of Cincinnati, Ohio.

The fiscal year of The Cincinnati Gas & Electric Company ends on December 31st.

The annual meeting of the stockholders is held on the first Monday of May of each year at the principal office of this Company, in the City of Cincinnati, Ohio.

Columbia Trust Company, 60 Broadway, is the New York office for registration and transfer of bonds.

The Central Trust & Safe Deposit Company, Cincinnati, Ohio, is the Cincinnati office for registration and transfer of bonds.

#### THE CINCINNATI GAS & ELECTRIC COMPANY.

By SAMUEL ASSUR, *Second Vice-President.*

This Committee recommends that the above-described \$4,500,000 First and Refunding Mortgage Five per Cent. Forty-Year Sinking Fund Bonds, Series A, due 1956, Nos. 1 to 4,500 inclusive, for \$1,000 each, be admitted to the list, on official notice of issuance in exchange for outstanding temporary bonds, in accordance with the terms of the application.

WM. W. HEATON, *Chairman.*

Adopted by the Governing Committee, September 13 1916.

GEORGE W. ELY, *Secretary.*

#### United Motors Corporation, New York.—Acquisition.—

Pres. W. C. Durant, acting on behalf of the company, has taken over the Brown, Lipe, Chapin Co. of Syracuse, manufacturers of differential and bevel gears for automobiles, making the seventh equipment company to be acquired. It is stated that the newly acquired company has \$1,500,000 capitalization and has paid 20% annually in dividends for some years past.—V. 103, p. 1046, 755.

#### United States Steel Corp.—Additions, &c.—

This corporation is reported to have made appropriations of \$3,850,000 this year for extensions of the plant of the Shelby Tube Co. at Ellwood City, Pa., including the erection of two bar mills and other additions to the Shelby Tube plant. The Shelby plant has recently installed electrical equipment connected with motors of 5,000 h. p. capacity, electric power for which will be furnished by the Republic Ry. & Power Co.

#### Unfilled Orders.—

See "Trade and Traffic Movements" on a preceding page.—V. 103, p. 1046, 417.

#### Virginia Iron, Coal & Coke Co.—Earnings.—

June 30 Yrs.	1915-16.	1914-15.	June 30 Yrs.	1915-16.	1914-15.
Gross earnings	\$4,308,598	\$2,844,165	Gross income	\$490,981	\$434,016
Net earnings	437,016	406,574	Int., &c., charges	739,074	678,738
Other income	53,965	27,442	Balance, deficit	248,094	244,722

—V. 101, p. 1463.

#### Wells Fargo Express Co., N. Y.—Earnings.—

June 30 Years	1915-16.	1914-15.	1915-16.	1914-15.
Transp'n., &c.	46,555,523	39,279,419	Balance	2,879,868
Exp. priv. (dr.)	23,414,248	19,724,414	Oth. expr. inc.	52,930
Operating expenses	19,847,687	17,860,840	Net income from invest.	1,087,975
Net earnings	3,293,588	1,694,166	Total	4,020,773
Taxes	413,720	413,293	*Divs. (6%)	1,438,044
Balance	2,879,868	1,280,872	Balance	2,582,729

\*Dividends inserted by Editor.—V. 101, p. 1374.

#### Western Union Telegraph Co.—Earnings.—

For 9 Mos. end. Sept. 30 (Sept. 1916 Est.)	1916.	1915.
Total revenues	\$45,751,067	\$37,832,109
Maintenance, repairs and reserved for deprec'n.	\$6,224,108	\$6,092,091
Other oper. exp., incl. rent of leased lines & taxes	28,990,607	23,851,057
Balance	\$10,536,352	\$7,888,961
Deduct—Interest on bonded debt	1,000,887	1,002,416
Net income	\$9,535,465	\$6,886,545

—V. 103, p. 948, 245.

#### Westinghouse Air Brake Co.—Special Dividend.—

A special dividend of \$5 (10%) has been declared on the \$19,638,467 stock, payable Nov. 21 to holders of rec. Oct. 31.—V. 102, p. 1065.

#### Willys-Overland Co.—Stock Subscription.—

All of the \$15,000,000 treasury common stock recently offered to stockholders for subscription at \$44 per share (V. 103, p. 853) was subscribed, leaving none to be offered to the public. A press dispatch says that \$7,500,000 was taken by President John N. Willys and his immediate friends, the largest stockholders. Including the new stock, the company now has \$37,500,000 common stock outstanding (V. 103, p. 249).—V. 103, p. 1216, 1123.

#### Wisconsin Gas & Electric Co.—Bonds Offered.—

Harris, Forbes & Co. and Spencer Trask & Co. of N. Y., the Harris Trust & Savings Bank, Chicago, and Harris, Forbes & Co., Inc., Boston, are offering at 98 and interest \$300,000 First Mtge. 5% bonds, due June 1 1952, making amount outstanding \$2,650,000. See description of issue V. 95, p. 1124; V. 96, p. 424.

#### (F. W.) Woolworth & Co., New York.—Total Sales.—

1916—Sept. 1915.	Increase.	1916—9 Mos.—1915.	Increase.
\$7,348,418	\$5,924,132	\$1,424,286	\$57,797,633
\$49,862,967	\$7,934,665		

—V. 103, p. 948, 584.

#### CURRENT NOTICE.

—In their page advertisement to-day the public utility firm of John Nickerson Jr., this city, Boston and St. Louis, recommend and offer for investment a list of bonds yielding 4.85% to 6%, and preferred stocks yielding 6 to 7%. Referring to these offerings, the firm states: "We look for value. Our specialization in public utility bonds and preferred stocks has enabled us to establish for ourselves definite standards of value and each time we recommend an issue it is with the understanding that our position is based upon an opinion that these standards have been met; we seek to make our recommended issues possess as their chief characteristic intrinsic value."

—The October municipal bond list issued by the municipal bond house of William R. Compton Co., 14 Wall St., this city, describes over seventy issues of attractive and conservative municipal bonds yielding from 3.85% to 5.125%. The new income tax law now in force provides for a 100% increase over the tax heretofore levied on normal incomes, and from this tax municipal bonds are exempt. The firm states that the law has resulted in a greater demand for municipal bonds. Write for October bond list "D-15"

—On the space opposite the first reading matter page, Montgomery, Clothier & Tyler, of New York, Philadelphia and Pittsburgh, and Kissel, Kinicutt & Co., of New York and Chicago, are to-day jointly advertising \$8,000,000 Cities Service Co. 6% cumulative preferred stock at \$93 per share. Preferred both as to assets and dividends and not redeemable. Dividends on this stock are payable the first of each month. Full details of the offering appear in the page advertisement.

—Our subscribers will receive with to-day's issue of the "Chronicle" a copy of the "American Bankers' Convention Supplement." This souvenir record of the annual convention of the American Bankers' Association, held in Kansas City, is printed in color, and besides the addresses and proceedings of the 1916 meeting, it contains the display advertisements of many of the representative and aggressive banking firms and financial institutions of every important city in the country.

—At 86¼ and accrued interest, to yield 4¼%, Knauth, Nachod & Kuhne, Equitable Building, this city, are offering \$400,000 Baltimore & Ohio RR., West Virginia & Pittsburgh RR. Co., first mortgage 4% bonds, due April 1 1990, among our advertisements elsewhere in this issue. The attractive investment features of this security are fully described in the firm's advertisement. Address inquiries to K. L. Fleming Jr., Manager of the bond department.

—Harris, Forbes & Co., Pine St. cor. William, this city, have published a new edition of their income tax booklet which contains an analysis of and comment on the new income tax law, together with full text of the statute in convenient form, and also the same information on the new Federal inheritance law. The firm will be pleased to send a complimentary copy to investors inquiring for "Booklet No. 2."

—Kean, Taylor & Co., 5 Nassau St., this city, and 105 So. La Salle St., Chicago, are offering, by advertisement on another page, \$850,000 Minneapolis Sault Ste. Marie & Atlantic Ry. first mortgage 4s, due 1926; \$400,000 Michigan Central RR. equipment trust of 1915 5% certificates, due 1928, 1930, and \$500,000 Armour & Co. real estate first mortgage 4½s, due 1939. Prices and circulars on request.

—At 94 and interest, to yield 5.36%, The National City Co., National City Bank Building, this city, are offering, and advertising in to-day's "Chronicle," \$4,000,000 Northern Ohio Traction & Light Co. first lien and refunding mortgage 5% bonds, due Aug. 1 1956. See the advertisement for full particulars.

—A. D. Converse & Co., 49 Wall St., this city, prepared a pamphlet describing a diversified list of securities which embody security and a good income. Complimentary copy will be mailed on request to the New York or Philadelphia office of the firm in the Commercial Trust Building.



# The Commercial Times.

## COMMERCIAL EPITOME

Friday Night, Oct. 13 1916.

Remarkable activity continues in very many branches of trade even at current high prices. Steel is selling on an enormous scale at gradually rising prices. Large sales of pig iron are in progress at an advance, and copper meets with a brisk demand. Exports of general merchandise are phenomenally large. Manufacturers are operating in many cases to capacity, yet find it difficult or even impossible to keep up with their orders or anywhere near it. They cannot as a rule accumulate a surplus stock of goods. This of course prevents the piling-up of unwieldy stocks in mills and factories. Smaller grain crops are offset by higher prices. Wheat is 40 to 50 cents a bushel higher than a year ago, corn nearly 25 cents and oats 15 cents. Cotton is 5 cents a pound higher. Collections the country over are generally good. Building is increasing. The shipyards are extraordinarily busy and are buying supplies for delivery as far ahead as the spring of 1918. On the other hand, the submarine question is a disturbing one. Car shortages too are increasing. Some fears of a coal shortage are entertained. Raw materials are scarce. So is labor. The cost of living is notoriously high. It bears sharply on people with small incomes. And there seems little or no prospect of immediate relief. Buying for next spring delivery in some directions is becoming more conservative. Submarine attacks on shipping on our Atlantic coasts have caused a sharp rise in war risks and ocean freights, and may hamper American exports, at least for a time.

LARD in fair demand; prime Western 15.60c.; refined to the Continent 16.30c.; South America 16.65 c.; Brazil, 17.65c. Futures advanced in spite of lower prices for hogs. For grain and other food products have risen and the indications seem to point to an increased foreign demand before long, judging for one thing, by the stronger cables. Packers have been buying December lard. On the other hand, receipts of hogs have been large and liquidation of October and a lessened cash demand here have been noticeable factors, holding prices more or less in check. To-day prices advanced. October was at the highest point for years past at Chicago. Cash lard there is at a large premium and sparingly offered. Ribs and pork were higher there and hogs also advanced.

**DAILY CLOSING PRICES OF LARD FUTURES IN CHICAGO.**

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
October delivery...cts.	14.92	14.85	14.80	15.00	Holl.	15.15
December delivery	14.25	13.97	13.95	14.12	day.	14.15
January delivery	13.55	13.32	13.37	13.60		13.70

PORK firm; mess, \$30@31; clear \$27@29. Beef products firm; mess \$21@21 50; extra India mess, \$35@36. Cut meats unsettled; pickled hams, 10 to 20 lbs., 16 3/4 @ 17 1/4c.; pickled bellies, 16@16 1/2c. Butter, creamery, 31 1/2 @ 36 1/2c. Cheese, State, 19@21 1/2c. Eggs, fresh, 24@40c.

COFFEE is in better demand; No. 7 Rio, 9 1/2c.; No. 4 Santos, 11@11 1/2c.; fair to good Cucuta, 11 1/4@11 3/4c. Futures advanced most of the week on the idea that submarine warfare on our coasts might interfere with imports of coffee at American markets, as many of the steamers in the carrying trade fly the British flag. War risks, too, have advanced. Santos prices have risen. And the spot trade in this country has increased somewhat, owing to the submarine scare. Warehouse deliveries have been increased. The trade has bought; also shorts and Wall Street. Cost and freight quotations are higher. To-day, however, prices declined to a point which left them slightly lower for the week, as there was less apprehension about submarines and future supplies. The ending was at a decline of 17 to 21 points, with total sales reported of 43,500 bags. Closing prices were as follows:

	October	November	December	January	February	March	April	May	June	July	August	September
cts.	8.40@8.41	8.40@8.41	8.45@8.46	8.46@8.47	8.47@8.48	8.48@8.49	8.53@8.54	8.57@8.59	8.60@8.61	8.67@8.68		

SUGAR again higher; centrifugal, 96-degrees test, 6.08c.; molasses, 89-degrees test, 5.31c.; granulated, 7.15@7.25c. Futures advanced on the submarine scare, higher war risks, influential buying of October, November and January, and stronger spot prices for raw. Refiners, moreover, have bought more freely. Besides, refined is higher. Beet sugar is not expected to compete actively with cane sugar for some weeks to come, a circumstance on which no little stress is laid. Cuban stocks are stated at 259,788 tons, against 236,394 tons a year ago. Europe is expected to buy steadily, if not largely, during the remainder of the year. To-day futures closed 1 to 10 points higher, with sales of 3,550 tons. A stronger tone in raw sugar braced up futures. Closing quotations were as follows:

	October	November	December	January	February	March	April	May	June	July	August	September
cts.	5.20@5.25	5.21@5.22	4.87@4.88	4.47@4.48	4.18@4.19	4.18@4.19	4.21@4.23	4.25@4.27	4.28@4.30	4.31@4.32	4.34@4.36	4.37@4.38

OILS.—Linseed firm; City, raw, American seed, 82@85c.; City, boiled, American seed, 83@86c.; Calcutta, \$1. Lard, prime \$1 08@1 16. Moreover, Coconut oil has been in active demand and higher, with Cochin 16@17c. and Ceylon 14@15c. Corn oil moved up to 9 1/2@10c., and Palm, Lagos to 10c. with brisk trading. Cod, domestic, 70@72. Cottonseed oil has been active and strong, on the spot 11.60c. Spirits of turpentine, 46 1/2@47c. Strained rosin, common to good, \$6 25.

PETROLEUM firm but with export movement lighter; refined in barrels \$8 35@9 35, bulk \$4 50@5 50, cases \$10 75@11 75. Naphtha, 73 to 76 degrees, in 100-gallon drums and over, 40 1/2c. Gasoline still in active demand; motor gasoline in steel barrels, to garages, 22c.; to consumers, 24c.; gasoline, gas machine, steel, 37c.; 73 to 76 degrees, steel and wood, 31@34c.; 68 to 70 degrees, 28@31c. Eastern crude oil has advanced. Pittsburgh telegraphed: "Continuing their efforts to bring to the refineries the vast quantity of crude oil now in the hands of producers, the principal purchasing agencies announced an increase of ten cents a barrel for the higher priced grades, and 5 cents for heavy oil". Closing prices were as follows:

	Pennsylvania dark	Cabell	Mercer black	New Castle	Corning	Wooster	Thrall	Strawn	De Soto	North Lima	South Lima	Indiana	Princeton	Somerset, 32 deg.	Ragland	Electra	Moran	Plymouth	Illinois, above 30 degrees	Kansas and Oklahoma	Caddo La., light	Caddo La., heavy	Canada	California oil	Henrietta		
	\$2 50	2 02	2 03	2 00	2 00	1 65	95	95	80	\$1 43	1 43	1 28	1 47	1 85	85	95	95	1 08		\$1 47		90	90	65	1 83	73 @ 78	95

TOBACCO has been in brisk demand and firm. Supplies are far from plentiful. In fact, there is more or less anxiety on this question. Manufacturers have plenty of orders, and it is believed are none too well supplied with leaf. In the interior the 1916 crop is selling briskly at relatively high prices. The weather has been excellent for curing. The Government reports say that tobacco is about all housed. In Maryland it is curing nicely, although the crop will be short, while in Virginia it is mostly cured and is being marketed. Some tobacco was injured by frost in Ohio, but in Kentucky the crop has escaped important injury. The price of several brands of cigars has been raised at Chicago as well as elsewhere, and cigar dealers are predicting that December will see the largest trade known for many years, with a likelihood of a shortage of supplies before the holidays in the hands of retailers. Clear Havana cigars may possibly be advanced in price.

COPPER in brisk demand with good domestic buying for delivery in the first quarter of 1917. Lake here on the spot 28 1/2@29c.; electrolytic, 28 1/2@29c.; for future delivery, 27 3/4@28c. Latterly foreign inquiries have been in the market. Standard at London has advanced sharply. Tin for a time was active and higher at 44c., owing to submarine activities off our coast and the reported sinking of the City of Naples, bound for Boston with 450 tons on board. Later, when the submarine scare subsided, the price dropped to 41 1/2c. London and Singapore at times have advanced sharply. The statistical position is considered bullish, with the total visible supply on Sept. 30 16,192 tons, against 18,042 on Aug. 31. Shipments from the Straits in September to the United States dropped to 600 tons, against 1,490 in August. Arrivals thus far this month, 1,015 tons; afloat, 2,245 tons. Spelter easier on the spot at 10c. A large foreign business, it is understood, was about to come into the market, but it was feared at one time that submarine activity off our Atlantic coast might check export business. London has advanced sharply. Lead quiet on the spot at 7@7.05c. Consumers in this country, it is said, are waiting for lower prices before covering November requirements. Foreign demand is expected in the near future, especially from Canada. Pig iron continues in active demand and firm; No. 2 Northern, \$19 75@20.25; No. 2 Southern \$14 50@15, Birmingham. Steel has been active and tending upward in conjunction with large sales of pig iron for export. Production is being carried on as near as possible to the capacity of the mills. Russia is buying locomotives. Buying of cars is large. There is a large increase in exports of tin plates. Thus far this year the total is stated at 516,000,000 lbs., or about one quarter of the American annual output.

## COTTON

Friday Night, Oct. 13 1916.

THE MOVEMENT OF THE CROP, as indicated by our telegrams from the South to-night, is given below. For the week ending this evening the total receipts have reached 322,759 bales, against 324,221 bales last week and 285,561 bales the previous week, making the total receipts since Aug. 1 1916 1,897,355 bales, against 1,590,209 bales for the same period of 1915, showing an increase since Aug. 1 1916 of 307,146 bales.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.	Total.
Galveston	18,216	18,604	34,970	26,461	14,617	18,975	131,843
Texas City	1,914		4,099		3,970		9,983
Aransas Pass, &c.						175	175
New Orleans	7,041	1,729	22,160	9,396	9,426	20,601	70,353
Mobile	302	83	1,914	416	346	122	3,183
Pensacola							
Jacksonville, &c.						3,343	3,343
Savannah	8,496	9,821	13,006	8,069	7,027	4,576	50,995
Brunswick						3,000	3,000
Charleston	1,506	1,666	2,904	1,463	924	1,772	10,235
Wilmington	917	717	664	893	1,405	1,004	5,600
Norfolk	4,281	8,941	4,162	4,092	3,767	5,187	30,430
N'port News, &c.							
New York	145	872	64	817			1,898
Boston		266	67	237	201		771
Baltimore						796	796
Philadelphia				154			154
Totals this week	42,818	42,699	84,010	51,998	41,683	59,551	322,759

The following shows the week's total receipts, the total since Aug. 1 1916 and the stocks to-night, compared with last year:



Receipts to Oct 13.	1916.		1915.		Stock.	
	This Week.	Since Aug 1 1916.	This Week.	Since Aug 1 1915.	1916.	1915.
Galveston.....	131,843	778,676	100,735	557,153	305,545	280,124
Texas City.....	9,983	53,201	12,374	64,385	37,760	20,813
Port Arthur.....	---	---	---	163	---	---
Aransas Pass, &c.	175	2,848	12,416	31,913	---	4,715
New Orleans.....	70,353	335,725	49,215	215,124	216,326	186,248
Mobile.....	3,183	42,111	2,309	23,025	7,872	15,872
Pensacola.....	---	6,705	---	9,817	---	---
Jacksonville, &c.	3,343	16,349	1,791	7,864	4,272	870
Savannah.....	50,995	374,328	44,876	365,273	182,629	179,712
Brunswick.....	3,000	37,500	7,000	28,400	6,000	8,000
Charleston.....	10,235	58,841	18,204	104,634	58,554	85,593
Georgetown.....	---	---	---	45	---	---
Wilmington.....	5,600	45,840	7,388	73,094	47,686	36,580
Norfolk.....	30,430	123,075	17,803	101,739	55,000	45,416
N'port News, &c.	---	8,515	---	1,142	---	---
New York.....	1,898	3,518	28	1,433	84,380	279,164
Boston.....	771	5,676	319	1,576	14,123	4,423
Baltimore.....	796	3,917	928	6,088	4,097	5,397
Philadelphia.....	154	530	10	41	4,626	1,018
Totals.....	322,759	1,897,355	275,396	1,590,209	1,028,870	1,153,945

In order that comparison may be made with other years, we give below the totals at leading ports for six seasons:

Receipts at—	1916.	1915.	1914.	1913.	1912.	1911.
Galveston.....	131,843	100,735	89,002	133,083	182,064	141,155
Texas City, &c.	10,158	24,790	17,303	29,387	62,278	43,028
New Orleans.....	70,353	49,215	22,529	55,388	55,312	44,065
Mobile.....	3,183	2,309	5,033	18,267	12,974	18,766
Savannah.....	50,995	44,876	34,995	128,580	81,361	119,260
Brunswick.....	3,000	7,000	623	23,700	16,500	23,200
Charleston, &c.	10,235	18,204	11,677	32,001	25,484	19,063
Wilmington.....	5,600	7,388	3,075	26,402	25,991	29,250
Norfolk.....	30,430	17,803	12,180	22,852	33,628	30,392
N'port N., &c.	---	---	---	1,349	1,863	146
All others.....	6,962	3,076	3,180	14,083	3,487	5,207
Total this wk.	322,759	275,396	199,397	485,092	500,942	473,532
Since Aug. 1.	1,897,355	1,590,209	802,021	2,628,371	2,554,032	2,813,657

The exports for the week ending this evening reach a total of 186,503 bales, of which 126,713 were to Great Britain, 17,084 to France and 42,706 to other destinations. Exports for the week and since Aug. 1 1916 are as follows:

Exports from—	Week ending Oct. 13 1916. Exported to—				From Aug. 1 1916 to Oct. 13 1916. Exported to—			
	Great Britain.	France.	Other.	Total.	Great Britain.	France.	Other.	Total.
Galveston.....	51,782	11,449	18,278	81,509	255,964	21,371	85,491	362,826
Texas City.....	---	---	---	---	5,507	19,227	---	24,734
New Orleans.....	41,331	---	7,303	48,634	111,884	33,136	62,054	207,074
Mobile.....	7,470	---	---	7,470	29,293	---	400	29,693
Pensacola.....	---	---	---	---	12,003	---	---	12,003
Savannah.....	11,889	---	1,700	13,589	39,941	15,541	41,752	97,234
Brunswick.....	9,063	---	---	9,063	30,552	---	---	30,552
Wilmington.....	---	---	---	---	13,640	39,331	52,971	105,941
Norfolk.....	837	---	---	837	12,769	9,506	1,100	23,375
New York.....	3,800	5,635	5,046	14,481	65,030	49,697	95,006	209,733
Boston.....	41	---	---	41	6,975	---	336	7,311
Baltimore.....	---	---	---	---	35,424	---	1,000	36,424
Philadel'a.....	500	---	---	500	3,946	---	1,800	5,746
San Fran.....	---	---	---	---	---	---	26,963	26,963
Seattle.....	---	8,579	8,579	---	---	---	40,080	40,080
Tacoma.....	---	1,800	1,800	---	---	---	17,879	17,879
Total.....	126,713	17,084	42,706	186,503	609,288	162,118	413,192	1,184,598
Total 1915.....	69,626	31,689	61,445	162,760	368,795	153,955	417,548	940,298
Total 1914.....	42,113	400	45,316	87,829	143,221	3,810	166,368	313,399

Note.—Exports from New York include 60 bales Peruvian to Havre.

In addition to above exports, our telegrams to-night also give us the following amounts of cotton on shipboard, not cleared, at the ports named. We add similar figures for New York.

Oct. 13 at—	On Shipboard, Not Cleared for—						Leaving Stock.
	Great Britain.	France.	Germany.	Other Cont't.	Coast-wise.	Total.	
New Orleans.....	8,043	13,117	---	12,103	193	33,456	182,870
Galveston.....	50,786	2,110	---	12,848	25,500	92,244	213,301
Savannah.....	---	17,600	---	---	2,500	20,100	162,529
Charleston.....	---	---	---	---	---	58,554	---
Mobile.....	806	---	---	---	50	856	7,016
Norfolk.....	---	---	---	---	1,462	1,462	53,538
New York.....	1,000	2,500	---	3,000	---	6,500	77,880
Other ports.....	20,000	5,000	---	8,000	---	33,000	85,564
Total 1916.....	80,635	40,327	---	35,951	30,705	187,618	841,252
Total 1915.....	78,054	23,128	100	56,520	10,590	168,392	985,553
Total 1914.....	29,964	4,523	4,343	43,214	19,203	92,247	394,160

Speculation in cotton for future delivery has been active at irregular prices, declining some 40 to 50 points last Monday, on the news that five or six steamers had been sunk by submarines off Nantucket Island, and later on not only recovering the lost ground, but advancing to a new high level for this season, or any other season at this time of the year. The unexpected sinking of the vessels mentioned caused heavy liquidation for a time, in the belief that exports of cotton from this country were seriously menaced. A sharp decline in the stock market emphasized this view. But when day after day passed and no further submarine attacks were reported, men regained courage to buy and they did buy on a large scale. This was not merely by spot houses and spinners. It was also by bull operators, who think that cotton is going to 20 cents some time this winter. The firmness of December has also been a feature. Recently it was at a discount of 10 points under January, but during the past week there has been an actual premium on December over January of some 12 to 15 points. In fact, at times December sold higher than March. This certainly looked peculiar from one point of view, but it emphasizes the buying pressure on spot and nearby deliveries. Mills have been calling cotton on a liberal scale and this necessitated the buying of December. Spot houses have also

bought January heavily. And even last Monday people were encouraged by the fact that the exports were some 45,000 bales, in spite of the fact of talk of submarines. Their courage got another fillip on Wednesday, when total exports were 57,500 bales. Meanwhile, spot markets have advanced, with a persistent demand. October export engagements are said to be large. Government advices say there will be no top crop in Texas or Louisiana and only a small one in Georgia. Much stress is laid on the boll weevil pest in Alabama and Georgia, as well as weevil and caterpillars in Florida. On the other hand, there was a report at one time that the British Admiralty had taken over control of the British liners and freighters in New York and other Atlantic ports, and this caused heavy selling on the idea that it would mean a marked restriction of exports. Also war risks have risen something like 500%. Ocean freights are expected to advance and Liverpool was for a time a steady seller here in expectation of a marked widening of the differences between the two markets, growing out of higher freights and insurance. Some, too, believe that the bull movement in cotton is being overdone, that the trade buying is liable to fall off at any time and that as speculation on the whole is not general, prices will be very apt to decline and perhaps decline very sharply. Not a few people believe that the crop is being under-estimated and the consumption over-estimated, and that the day of reckoning is bound to come. There has been less snap in the trading in cotton goods since the submarine news. To-day prices advanced on the fact that 28 steamers left New York yesterday, possibly in some cases with convoys, and a big demand from spot houses, Liverpool and Wall Street. A reaction came later, owing to reports that a German submarine had been seen off Nantucket Island. A decline in stocks also had some effect. Still the market closed higher for the day. A vague rumor that the Liverpool Cotton Exchange may close indefinitely received little credence. Middling uplands closed at 17.60c., showing an advance for the week of 60 points, or 160 points in two weeks.

The official quotation for middling upland cotton in the New York market each day for the past week has been:

Oct. 7 to Oct. 13—	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Middling uplands.....	17.10	17.00	17.30	17.55	H.	17.60

#### NEW YORK QUOTATIONS FOR 32 YEARS.

1916	c	17.60	1908	c	9.15	1900	c	10.44	1892	c	8.00
1915		12.50	1907		11.70	1899		7.19	1891		8.69
1914			1906		11.30	1898		5.38	1890		10.38
1913		13.70	1905		10.10	1897		6.38	1889		10.62
1912		11.00	1904		10.40	1896		8.00	1888		9.69
1911		9.50	1903		9.60	1895		9.12	1887		9.44
1910		14.90	1902		8.80	1894		6.06	1886		9.31
1909		13.85	1901		8.50	1893		8.38	1885		9.81



THE VISIBLE SUPPLY OF COTTON to-night, as made up by cable and telegraph, is as follows. Foreign stocks, as well as the afloat, are this week's returns, and consequently all foreign figures are brought down to Thursday evening. But to make the total the complete figures for to-night (Friday), we add the item of exports from the United States, including in it the exports of Friday only.

	1916.	1915.	1914.	1913.
Oct. 13—				
Stock at Liverpool.....bales.	559,000	932,000	769,000	482,000
Stock at London.....	31,000	71,000	19,000	5,000
Stock at Manchester.....	48,000	51,000	53,000	40,000
Total Great Britain.....	638,000	1,054,000	841,000	527,000
Stock at Hamburg.....	*1,000	*1,000	*29,000	17,000
Stock at Bremen.....	*1,000	*2,000	*160,000	121,000
Stock at Havre.....	168,000	201,000	216,000	88,000
Stock at Marseilles.....	6,000	3,000	3,000	2,000
Stock at Barcelona.....	30,000	39,000	27,000	9,000
Stock at Genoa.....	161,000	99,000	27,000	6,000
Stock at Trieste.....	*1,000	*1,000	*20,000	11,000
Total Continental stocks.....	368,000	346,000	482,000	254,000
Total European stocks.....	1,006,000	1,400,000	1,323,000	781,000
India cotton afloat for Europe.....	35,000	56,000	79,000	94,000
Amer. cotton afloat for Europe.....	467,948	534,392	191,273	854,768
Egypt, Brazil, &c., afloat for Europe.....	27,000	30,000	20,000	58,000
Stock in Alexandria, Egypt.....	80,000	170,000	*105,000	191,000
Stock in Bombay, India.....	316,000	473,000	518,000	426,000
Stock in U. S. ports.....	1,028,870	1,153,945	486,407	650,329
Stock in U. S. interior towns.....	954,982	834,620	577,653	440,472
U. S. exports to-day.....	21,631	18,822	17,259	69,150

Total visible supply.....3,947,431 4,670,779 3,317,592 3,564,719

Of the above, totals of American and other descriptions are as follows:

	1916.	1915.	1914.	1913.
American—				
Liverpool stock.....bales.	419,000	682,000	417,000	303,000
Manchester stock.....	45,000	39,000	35,000	23,000
Continental stock.....	*285,000	*269,000	*365,000	213,000
American afloat for Europe.....	467,948	534,392	191,273	854,768
U. S. port stocks.....	1,028,870	1,153,945	486,407	650,329
U. S. interior stocks.....	964,982	834,620	577,653	440,472
U. S. exports to-day.....	21,631	18,822	17,259	69,150

Total American.....3,232,431 3,531,779 2,143,592 2,553,719

	1916.	1915.	1914.	1913.
East Indian, Brazil, &c.—				
Liverpool stock.....	140,000	250,000	298,000	179,000
London stock.....	31,000	71,000	19,000	5,000
Manchester stock.....	3,000	12,000	18,000	17,000
Continental stock.....	*83,000	*77,000	*117,000	41,000
India afloat for Europe.....	35,000	56,000	79,000	94,000
Egypt, Brazil, &c., afloat.....	27,000	30,000	20,000	58,000
Stock in Alexandria, Egypt.....	80,000	170,000	*105,000	191,000
Stock in Bombay, India.....	316,000	473,000	518,000	426,000

Total East India, &c.....715,000 1,139,000 1,174,000 1,011,000

Total American.....3,232,431 3,531,779 2,143,592 2,553,719

	1916.	1915.	1914.	1913.
Total visible supply.....	3,947,431	4,670,779	3,317,592	3,564,719
Middling Upland, Liverpool.....	10,11d.	7,23d.	5,30d.	7,66d.
Middling Upland, New York.....	17,60c.	12,45c.	—	13,80c.
Egypt, Good Brown, Liverpool.....	16,23d.	10,40d.	7,80d.	10,75d.
Peruvian, Rough Good, Liverpool.....	14,00d.	10,10d.	8,75d.	9,25d.
Broach, Fine, Liverpool.....	9,50d.	6,85d.	4,50d.	6,51d.
Tinnevely, Good, Liverpool.....	9,52d.	6,97d.	4,65d.	7,00d.

\*Estimated.

Continental imports for past week have been 47,000 bales. The above figures for 1916 show an increase over last week of 272,847 bales, a loss of 723,348 bales from 1915, an excess of 629,839 bales over 1914 and a gain of 382,712 bales over 1913.

AT THE INTERIOR TOWNS the movement—that is, the receipts for the week and since Aug. 1, the shipments for the week and the stocks to-night, and the same items for the corresponding period of the previous year—is set out in detail below.

Towns.	Movement to Oct. 13 1916.				Movement to Oct. 15 1915.			
	Receipts.		Shipments.	Stocks Oct. 13.	Receipts.		Shipments.	Stocks Oct. 15.
	Week.	Season.			Week.	Season.		
Ala., Eufaula.....	636	6,475	70	8,281	780	8,491	634	9,450
Montgomery.....	2,649	18,759	3,152	36,984	5,447	49,934	3,730	68,649
Selma.....	1,866	9,920	1,833	10,116	3,443	23,700	2,159	29,664
Ark., Helena.....	4,921	17,423	—	16,090	3,559	9,312	1,418	7,802
Little Rock.....	13,822	69,348	9,362	40,572	6,380	17,824	3,908	12,836
Pine Bluff.....	8,500	36,178	3,500	29,774	7,143	19,645	1,339	18,097
Ga., Albany.....	873	14,059	1,063	2,275	791	13,995	424	10,039
Athens.....	8,375	37,587	4,200	17,315	7,009	29,101	5,350	19,013
Atlanta.....	12,854	75,236	7,751	30,056	4,026	31,372	4,769	14,938
Augusta.....	26,428	178,077	21,062	115,863	18,333	140,052	10,235	140,226
Columbus.....	3,945	17,177	1,603	12,025	1,872	14,564	825	32,187
Macon.....	9,424	64,265	5,661	21,392	2,721	21,478	1,470	11,976
Rome.....	4,157	12,754	2,562	5,675	3,431	12,924	2,476	6,509
La., Shreveport.....	13,577	63,743	9,071	28,841	9,315	40,497	6,467	36,079
Miss., Columbus.....	358	808	137	982	692	2,811	206	4,360
Greenville.....	4,449	19,185	1,998	16,441	6,256	21,300	1,432	18,824
Greenwood.....	6,000	34,973	4,000	20,814	7,57	34,658	4,403	19,108
Meridian.....	923	4,776	493	4,944	1,324	6,776	458	9,351
Natchez.....	3,284	16,224	2,001	8,874	1,500	12,088	500	9,000
Vicksburg.....	1,157	3,495	295	3,066	2,336	8,327	311	8,759
Yazoo City.....	1,868	6,577	763	7,122	2,050	8,796	—	11,249
Mo., St. Louis.....	33,038	89,145	30,743	11,040	8,077	28,502	8,749	6,332
N.C., Greensboro.....	2,000	22,437	2,000	5,516	2,292	14,636	1,938	3,232
Raleigh.....	847	2,615	675	437	846	3,094	700	509
O., Cincinnati.....	1,281	22,870	2,622	11,978	7,207	19,207	7,207	11,499
Okla., Ardmore.....	6,216	21,058	3,971	9,334	1,381	2,395	311	1,727
Chickasha.....	4,664	18,501	4,290	9,565	695	2,509	403	1,513
Hugo.....	2,182	13,513	2,003	4,993	381	709	44	665
Oklahoma.....	2,948	10,278	2,503	6,982	789	1,797	401	1,096
S.C., Greenville.....	5,640	33,235	2,955	20,000	6,350	27,573	4,112	12,146
Greenwood.....	924	4,156	924	2,478	1,024	3,868	524	5,769
Tenn., Memphis.....	65,227	217,717	35,441	166,077	46,402	113,595	20,097	104,331
Nashville.....	—	—	469	335	—	2,479	—	1,898
Tex., Abilene.....	5,000	27,559	3,000	9,628	5,118	15,248	3,326	4,449
Brenham.....	1,077	18,792	1,044	1,713	907	8,682	528	3,485
Clarksville.....	3,738	23,911	3,608	7,860	2,887	6,709	2,148	3,236
Dallas.....	5,693	42,450	5,339	12,548	6,528	27,060	5,514	8,247
Honey Grove.....	3,016	20,910	2,262	5,062	1,840	5,670	821	2,472
Houston.....	163,305	927,267	117,823	228,383	106,615	618,316	89,236	151,165
Paris.....	7,379	52,153	8,400	10,117	4,533	19,796	2,553	7,362
San Antonio.....	2,000	28,172	2,000	3,300	3,267	34,335	4,296	6,371

Total, 41 towns 446,241 2,303,778 312,180 964,982 303,512 1,483,825 205,422 834,620

Note.—Our Interior Towns Table has been extended by the addition of 8 towns. This has made necessary the revision of the Visible Supply Table and a number of other tables.

The above totals show that the interior stocks have increased during the week 134,061 bales and are to-night 160,362 bales more than at the same time last year. The receipts at all towns have been 142,729 bales more than the same week last year.

FUTURES.—The highest, lowest and closing prices at New York for the past week have been as follows:

	Saturday, Oct. 7.	Monday, Oct. 9.	Tuesday, Oct. 10.	Wednesday, Oct. 11.	Thursday, Oct. 12.	Friday, Oct. 13.	Week.
October—							
Range.....	16.85-99	16.70-88	16.90-21	17.12-45	17.18-52	16.79-52	
Closing.....	17.02	16.85	17.20-21	17.20-25	17.35-38	—	—
November—							
Range.....	—	16.85	—	—	17.43-48	16.85-48	
Closing.....	17.12	16.95	17.27	17.28	17.43	—	—
December—							
Range.....	17.03-29	16.87-14	17.15-44	17.38-68	17.40-70	16.87-70	
Closing.....	17.26-29	17.08-11	17.40-41	17.41-42	17.58-60	—	—
January—							
Range.....	16.94-24	16.73-03	17.03-34	17.26-55	17.35-64	16.73-64	
Closing.....	17.22-24	16.93-94	17.30-32	17.31-32	17.50-52	—	—
February—							
Range.....	—	16.99	17.35	17.31	—	—	—
Closing.....	17.28	16.99	17.35	17.31	—	—	—
March—							
Range.....	17.11-40	16.88-20	17.18-45	17.35-59	17.48-70	16.88-70	
Closing.....	17.37-40	17.10-12	17.43-45	17.37-39	17.58-59	—	—
April—							
Range.....	—	17.16	17.46	17.40	—	—	—
Closing.....	17.44	17.16	17.46	17.40	—	—	—
May—							
Range.....	17.28-52	17.02-33	17.30-55	17.46-70	17.60-81	17.02-81	
Closing.....	17.51-52	17.24-25	17.54-55	17.46-48	17.67-69	—	—
June—							
Range.....	—	17.27	17.56-58	17.47	—	—	—
Closing.....	17.53	17.27	17.56-58	17.47	—	—	—
July—							
Range.....	17.34-57	17.10-41	17.37-61	17.54-75	17.68-88	17.10-88	
Closing.....	17.56-57	17.31-33	17.59-61	17.59	17.74	—	—

OVERLAND MOVEMENT FOR THE WEEK AND SINCE AUG. 1.—We give below a statement showing the overland movement for the week and since Aug. 1, as made up from telegraphic reports Friday night. The results for the week and since Aug. 1 in the last two years are as follows:

	1916.	1915.	1914.	1913.
Oct. 13—				
Shipped—				
Via St. Louis.....	30,743	86,044	8,749	40,014
Via Mounds, &c.....	12,050	26,483	6,499	28,104
Via Rock Island.....	177	560	—	—
Via Louisville.....	4,208	11,970	2,803	7,709
Via Cincinnati.....	642	9,679	3,401	10,676
Via Virginia points.....	2,316	12,664	1,513	11,154
Via other routes, &c.....	9,418	88,521	8,012	52,775
Total gross overland.....	59,554	235,921	30,977	151,432
Deduct Shipments—				
Overland to N. Y., Boston, &c.....	3,619	13,641	1,285	9,138
Between interior towns.....	4,189	16,530	1,499	9,128
Inland, &c., from South.....	7,823	45,085	4,214	28,791
Total to be deducted.....	15,631	75,256	6,998	47,057
Leaving total net overland*.....	43,923	160,665	23,979	104,375

\*Including movement by rail to Canada.

The foregoing shows the week's net overland movement has been 43,923 bales, against 23,979 bales for the week last year, and that for the season to date the aggregate net overland exhibits an increase over a year ago of 56,290 bales.

	1916.	1915.	1914.	1913.
In Sight and Spinners' Takings.				
Receipts at ports to Oct. 13.....	322,759	1,897,355	275,396	1,590,209
Net overland to Oct. 13.....	43,923	160,665	23,979	104,375
Southern consumption to Oct. 13.....	79,000	832,000	66,000	706,000
Total marketed.....	445,682	2,890,020	365,375	2,400,584
Interior stocks in excess.....	134,061	611,248	98,090	357,443
Came into sight during week.....	579,743	463,465	—	—
Total in sight Oct. 13.....	3,501,268	2,758,027	—	—
North. spinners' takings to Oct. 13.....	85,333	365,123	75,452	374,331

Movement into sight in previous years:

Week—	Bales.	Since Aug. 1—	Bales.
1914—Oct. 16.....	394,870	1914—Oct. 16.....	1,930,800
1913—Oct. 17.....	660,525	1913—Oct. 17.....	3,699,465
1912—Oct. 18.....	678,862	1912—Oct. 18.....	3,608,105



Brazilian crops, the pages being so arranged that the daily and weekly figures for this year as received can be inserted side by side with those for the previous year. It will be found on sale at the office of Comtelburo, Limited, 16 Beaver Street, New York.

**WEATHER REPORTS BY TELEGRAPH.**—Our telegraphic advices from the South this evening indicate that with favorable weather quite general the past week, picking has made good progress and the movement of cotton has been free.

*Galveston, Tex.*—We have had only a trace of rain during the week. The thermometer has ranged from 66 to 82, averaging 74.

*Abilene, Tex.*—This week's rainfall has been seventy hundredths of an inch on one day. Average thermometer 73, highest 94 and lowest 52.

*Brenham, Tex.*—There has been no rain the past week. The thermometer has averaged 75, the highest being 88 and the lowest 62.

*Cuero, Tex.*—Rain has fallen on two days during the week, the rainfall reaching one inch and four hundredths. The thermometer has averaged 79, ranging from 62 to 96.

*Fort Worth, Tex.*—Rain has fallen on one day during the week, the rainfall being sixteen hundredths of an inch. The thermometer has ranged from 56 to 92, averaging 74.

*Henrietta, Tex.*—We have had rain on one day during the past week, to the extent of eighty hundredths of an inch. Average thermometer 74, highest 96, lowest 52.

*Huntsville, Tex.*—We have had no rain the past week. The thermometer has averaged 72, the highest being 86 and the lowest 58.

*Kerrville, Tex.*—We have had rain on one day of the past week, the rainfall being four hundredths of an inch. The thermometer has averaged 70, ranging from 52 to 88.

*Lampasas, Tex.*—Dry all the week. The thermometer has ranged from 52 to 94, averaging 73.

*Longview, Tex.*—We have had no rain during the past week. Average thermometer 66, highest 80, lowest 52.

*Luling, Tex.*—There has been rain on one day of the week, the rainfall being two hundredths of an inch. The thermometer has averaged 77, the highest being 90 and the lowest 64.

*Nacogdoches, Tex.*—We have had no rain the past week. The thermometer has averaged 71, ranging from 52 to 90.

*Palestine, Tex.*—It has been dry all the week. The thermometer has ranged from 56 to 88, averaging 72.

*Paris, Tex.*—We have had a trace of rain on one day the past week. Minimum thermometer 73, highest 94, average 52.

*San Antonio, Tex.*—It has rained on two days during the week, the precipitation being thirty-six hundredths of an inch. The thermometer has averaged 76, the highest being 88 and the lowest 64.

*Taylor, Tex.*—Dry all the week. Minimum thermometer 60.

*Weatherford, Tex.*—We have had light rain on one day during the week, the precipitation reaching four hundredths of an inch. The thermometer has ranged from 54 to 88, averaging 71.

*Ardmore, Okla.*—The week's rainfall has been ninety-nine hundredths of an inch on one day. Average thermometer 75, highest 95 and lowest 54.

*Marlow, Okla.*—It has rained on one day of the week, the rainfall being fifty-two hundredths of an inch. The thermometer has averaged 71, the highest being 92 and the lowest 49.

*Eldorado, Ark.*—We have had no rain the past week. The thermometer has averaged 69, ranging from 46 to 92.

*Little Rock, Ark.*—It has rained on one day of the week, the precipitation reaching six hundredths of an inch. The thermometer has ranged from 48 to 87, averaging 68.

*New Orleans, La.*—Rain has fallen on two days of the week, the rainfall being one inch and eighty-six hundredths. Average thermometer 76, highest 87, lowest 64.

*Shreveport, La.*—There has been only a trace of rain the past week. The thermometer has averaged 71, the highest being 89 and the lowest 52.

*Columbus, Miss.*—Dry all the week. The thermometer has averaged 79, ranging from 61 to 97.

*Vicksburg, Miss.*—We have had no rain during the week. The thermometer has ranged from 48 to 88, averaging 71.

*Mobile, Ala.*—We have had only a trace of rain during the week. Average thermometer 75, highest 90, lowest 60.

*Selma, Ala.*—There has been no rain the past week. The thermometer has averaged 71, the highest being 88 and the lowest 53.

*Madison, Fla.*—We have had rain on two days during the week, the rainfall reaching one inch and twenty hundredths. The thermometer has averaged 75, ranging from 56 to 94.

*Albany, Ga.*—It has rained on one day of the week, the precipitation being twenty-one hundredths of an inch. The thermometer has ranged from 60 to 91, averaging 75.

*Savannah, Ga.*—It has rained on three days of the week, the precipitation being thirty hundredths of an inch. Average thermometer 71, highest 85, lowest 52.

*Charleston, S. C.*—We have had rain on one day of the week, the precipitation reaching one hundredth of an inch. The thermometer has averaged 67, the highest being 81 and the lowest 52.

*Greenville, S. C.*—Dry all the week. The thermometer has averaged 67, ranging from 46 to 88.

*Charlotte, N. C.*—We have had rain on one day during the week, the rainfall reaching one inch and twenty-four hundredths. Thermometer has ranged from 39 to 85, averaging 62.

*Goldsboro, N. C.*—Rain has fallen on one day of the week, the rainfall being one hundredth of an inch. Average thermometer 63, highest 89, lowest 37.

*Memphis, Tenn.*—There has been rain on one day during the week, the precipitation reaching ten hundredths of an inch. The thermometer has averaged 68, the highest being 90, and the lowest 45.

#### WORLD'S SUPPLY AND TAKINGS OF COTTON.

Cotton Takings. Week and Season.	1916.		1915.	
	Week.	Season.	Week.	Season.
Visible supply Oct. 6.....	3,674,584	3,198,251	4,463,900	4,664,410
Visible supply Aug. 1.....	579,743	3,501,268	463,465	2,758,027
American in sight to Oct. 13..	616,000	161,000	37,000	285,000
Bombay receipts to Oct. 12....	64,000	39,000	—	77,000
Other India ship'ts to Oct. 12..	625,000	116,000	32,000	112,000
Alexandria receipts to Oct. 11..	62,000	29,000	1,000	21,000
Other supply to Oct. 11*.....	—	—	—	—
Total supply.....	4,301,327	7,044,519	4,997,365	7,917,437
Deduct—				
Visible supply Oct. 13.....	3,947,431	3,947,431	4,670,779	4,670,779
Total takings to Oct. 13-a....	353,896	3,097,888	326,586	3,246,658
Of which American.....	290,896	2,357,088	240,586	2,480,658
Of which other.....	63,000	740,000	86,000	766,000

\* Embraces receipts in Europe from Brazil, Smyrna, West Indies, &c.  
a This total embraces since Aug. 1 the total estimated consumption by Southern mills 832,000 bales in 1916 and 706,000 bales in 1915—takings not being available—and the aggregate amounts taken by Northern and foreign spinners 2,265,088 bales in 1916 and 2,540,658 bales in 1915, of which 1,525,088 bales and 1,774,658 bales American. b Estimated.

**INDIA COTTON MOVEMENT.**—The receipts of India cotton at Bombay and the shipments from all India ports for the week ending Sept. 21 and for the season from Aug. 1 for three years have been as follows:

Sept. 21. Receipts at—	1916.		1915.		1914.	
	Week.	Since Aug. 1.	Week.	Since Aug. 1.	Week.	Since Aug. 1.
Bombay.....	10,000	88,000	36,000	185,000	4,000	46,000

Exports from—	For the Week.				Since August 1.			
	Great Britain.	Continent.	Japan & China.	Total.	Great Britain.	Continent.	Japan & China.	Total.
Bombay—								
1916.....	1,000	3,000	—	4,000	3,000	7,000	186,000	196,000
1915.....	1,000	2,000	18,000	21,000	4,000	23,000	158,000	185,000
1914.....	—	6,000	1,000	7,000	—	19,000	31,000	50,000
Caleutta—								
1916.....	—	—	—	—	—	3,000	1,000	4,000
1915.....	—	1,000	—	1,000	—	6,000	—	7,000
1914.....	—	—	—	—	—	1,000	—	1,000
Madras—								
1916.....	—	—	—	—	—	2,000	—	2,000
1915.....	—	—	—	—	1,000	2,000	—	3,000
1914.....	—	—	—	—	—	—	—	—
All others—								
1916.....	1,000	1,000	3,000	5,000	2,000	10,000	12,000	24,000
1915.....	—	9,000	2,000	11,000	7,000	24,000	22,000	53,000
1914.....	—	1,000	—	1,000	2,000	21,000	1,000	24,000
Total all—								
1916.....	2,000	4,000	3,000	9,000	5,000	22,000	199,000	226,000
1915.....	1,000	12,000	20,000	33,000	13,000	55,000	180,000	248,000
1914.....	—	7,000	1,000	8,000	2,000	41,000	32,000	75,000

According to the foregoing, Bombay appears to show a decrease compared with last year in the week's receipts of 26,000 bales. Exports from all India ports record a loss of 24,000 bales during the week, and since Aug. 1 show a decrease of 22,000 bales.

#### ALEXANDRIA RECEIPTS AND SHIPMENTS.

Alexandria, Egypt. Sept. 20.	1916.	1915.	1914.
Receipts (cantars)—			
This week.....	85,681	106,430	5,324
Since Aug. 1.....	227,951	203,324	8,724

Exports (bales)—	1916.		1915.		1914.	
	Week.	Since Aug. 1.	Week.	Since Aug. 1.	Week.	Since Aug. 1.
To Liverpool.....	5,064	14,888	3,330	18,340	—	4,695
To Manchester.....	—	3,290	3,587	8,941	—	4,622
To Continent & India.....	655	4,031	2,840	18,248	—	4,391
To America.....	—	1,133	1,139	13,888	—	5,250
Total exports.....	5,719	23,342	10,896	59,417	—	18,958

Note.—A cantar is 99 lbs. Egyptian bales weigh about 750 lbs. This statement shows that the receipts for the week ending Sept. 20 were 85,681 cantars and the foreign shipments 5,719 bales.

**MANCHESTER MARKET.**—Our report received by cable to-night from Manchester states that yarns are strong and active despite the advance in prices. We give prices for to-day below and leave those for previous weeks of this and last year for comparison:

	1916						1915					
	32s Cop	8 1/4 ds. Shrt- ings, common to finest.	Cot'n Mid. Up's	32s Cop	8 1/4 ds. Shrt- ings, common to finest.	Cot'n Mid. Up's	32s Cop	8 1/4 ds. Shrt- ings, common to finest.	Cot'n Mid. Up's	32s Cop	8 1/4 ds. Shrt- ings, common to finest.	Cot'n Mid. Up's
Aug. 25	13 1/4	@ 14 1/4	8 3	@ 10 3/4	9.42	8 1/4	9	8 6	@ 7 9	8	6	5.63
Sep. 1	14 1/4	@ 15	8 6	@ 10 7 1/2	9.90	8 1/4	9 1/2	8 9	@ 8 0	8	6	5.78
8	14 1/4	@ 15 1/4	8 8	@ 10 6	9.38	9 1/4	9 1/2	8 10	@ 8 1 1/2	8	6	6.12
15	14 1/4	@ 15 1/4	8 8	@ 10 6	9.51	9 1/4	10 1/4	7 3	@ 8 0	8	6	6.44
22	14 1/4	@ 15 1/4	8 8	@ 10 6	9.62	9 1/4	10 1/4	7 3	@ 7 10 1/2	8	6	6.59
29	14 1/4	@ 15 1/4	8 8	@ 10 6	9.47	10 1/4	11 1/2	7 4 1/2	@ 8 0	8	6	6.97
Oct. 6	14 1/4	@ 15 1/4	9 0	@ 10 10 1/2	9.93	10 1/4	11	7 5 1/2	@ 8 1	8	6	7.24
13	14 1/4	@ 15 1/4	9 2	@ 11 0	10.11	10 1/4	11 1/2	7 3	@ 8 6	8	6	7.23



## SHIPPING NEWS.—Shipments in detail:

	Total bales.
NEW YORK—To Liverpool—Oct. 10—Sain George, 1,874—Oct. 11—Adriatic, 1,926—	3,800
To Havre—Oct. 6—Strathdene, 598 (sunk by submarine)	
Oct. 7—Ottar, 981; Sala, 1,000—Oct. 9—Toftwood, 326—	
Oct. 10—Rawson, 2,706—	5,611
To La Pallice—Oct. 9—Dipton, 24—	24
To Barcelona—Oct. 9—Antonio Lopez, 472—	472
To Genoa—Oct. 7—Dante Alighieri, 575—Oct. 9—Sardegna, 500—	
Oct. 9—San Guglielmo, 1,699—	2,774
To Naples—Oct. 9—San Guglielmo, 1,800—	1,800
GALVESTON—To Liverpool—Oct. 7—Huronian, 20,330—Oct. 9—Boniface, 12,215—Oct. 10—Mercian, 7,987; Nestorian, 11,250—	51,782
To Havre—Oct. 7—Loostakken, 11,449—	11,449
To Barcelona—Oct. 10—Martin Saenz, 7,200—	7,200
To Genoa—Oct. 10—Nordkop, 11,078—	11,078
NEW ORLEANS—To Liverpool—Oct. 5—Alexandrian, 10,484—Oct. 6—Ribston, 3,139—Oct. 9—Politician, 13,471—Oct. 12—Baron Jedburgh, 7,629; Spectator, 6,608—	41,331
To Genoa—Oct. 5—Constantinople, 800—Oct. 6—Soperga, 6,503—	7,303
MOBILE—To Liverpool—Oct. 11—Asian, 7,470—	7,470
SAVANNAH—To Liverpool—Oct. 10—Noya, 11,889—	11,889
To Oporto—Oct. 10—Carolina de Perez, 1,700—	1,700
BRUNSWICK—To Liverpool—Oct. 6—Scythian, 9,063—	9,063
NORFOLK—To Liverpool—Oct. 3—Cambrian King, 837 (add'l)—	837
BOSTON—To Liverpool—Oct. 6—Sagamore, 41—	41
PHILADELPHIA—To Manchester—Sept. 27—Manchester Exchange, 500—	500
SEATTLE—To Japan—Oct. 2—Talthybius, 3,300—Oct. 3—Awa Maru, 5,279—	8,579
TACOMA—To Japan—Oct. 3—Awa Maru, 50—Oct. 4—Chosen Maru, 1,750—	1,800
Total	186,503

## LIVERPOOL.—Sales, stocks, &amp;c., for past week:

	Sept. 22.	Sept. 29.	Oct. 6.	Oct. 13.
Sales of the week	43,000	42,000	46,000	41,000
Of which speculators took	4,000	3,000	4,000	—
Of which exporters took	5,000	1,000	1,000	—
Sales, American	31,000	32,000	36,000	30,000
Actual export	1,000	1,000	3,000	4,000
Forwarded	65,000	62,000	90,000	82,000
Total stock	588,000	564,000	563,000	559,000
Of which American	452,000	430,000	425,000	419,000
Total imports of the week	50,000	39,000	92,000	83,000
Of which American	36,000	34,000	77,000	65,000
Amount afloat	191,000	204,000	235,000	—
Of which American	174,000	187,000	205,000	—

The tone of the Liverpool market for spots and futures each day of the past week and the daily closing prices of spot cotton have been as follows:

Spot.	Saturday.	Monday.	Tuesday.	Wednesday.	Thursday.	Friday.
Market, 12:15 P. M.		Fair business doing.	Fair business doing.	Good demand.	Good demand.	Quieter.
Mid. Up'ds		10.06	10.04	10.27	10.15	10.11
Sales	HOLIDAY.	12,000	8,000	10,000	8,000	6,000
Spec. exp.		1,200	600	1,000	1,000	1,000
Futures. Market opened		Steady 13½ @ 15 pts. adv.	Steady 10½ @ 16 pts. adv.	Steady 9 @ 12 pts. advance.	Steady	Steady 1 @ 3 pts. advance.
Market, 4 P. M.		Easy 4 pts. decline.	Firm 22 @ 31 pts. adv.	Quiet 3 @ 6½ pts. advance.	Steady 2½ @ 5 pts. advance.	Steady ½ @ 1 pt. advance.

The prices of futures at Liverpool for each day are given below. Prices are on the basis of upland, good ordinary clause, unless otherwise stated.

Oct. 7 to Oct. 13.	Saturday.	Monday.	Tuesday.	Wed. day.	Thursday.	Friday.
	12½ p.m. 1½ p.m.	12½ p.m. 4 p.m.	12½ p.m. 4 p.m.	12½ p.m. 4 p.m.	12½ p.m. 4 p.m.	12½ p.m. 4 p.m.
October	d. d.	d. d.	d. d.	d. d.	d. d.	d. d.
Oct.-Nov.	9 96½ 75	96½ 76½ 93½ 07	96½ 75 93½ 06	17 10 09 12	98½ 12½ 98½ 11	98½ 11½
Jan.-Feb.	9 96½ 97½	93½ 04	93½ 04	09 01	12 98½	11
Mar.-Apr.	HOLIDAY.	10 00 80½ 94½	05½ 15½	11½ 13½	15 02	14½
May-June		10 02 82½ 95	05½ 15½	12 06	16½ 03½	15½
July-Aug.		9 98½ 79	91½ 01	10½ 07	93 12	98½ 11

## BREADSTUFFS

Friday Night, Oct. 13 1916.

Flour was quiet for a time, partly on the submarine scare and an idea that prices might decline through a contraction of the foreign outlet. But later it became more active and firmer, partly owing to the fact that submarine attacks ceased and partly in response to a stronger tone to the wheat market. Besides it is contended that attacks by submarines would merely cause delay. Cargoes sunk will have to be replaced even if the submarine warfare in these waters should continue. And as Great Britain has not bought much for some weeks, it is assumed that she will re-enter the market before long. Early in the week prices were lower, but they became firmer later on in spite of high war risks, when it was seen that no further steamers than the five or six reported last Monday had been sunk. Some, however, did not like the report that in future Great Britain will take charge of all purchases of wheat, for it was assumed that this might apply also to flour, and by eliminating competition among buyers tend to cause easier prices, or at least to keep prices from advancing as they might otherwise do. A Washington dispatch on Oct. 9 said: "A steady increase in the price of bread through the reduction of the weight of the loaf is shown in a report issued to-day by the Bureau of Labor Statistics of the Department of Commerce. Upon the basis of a standard loaf of white bread weighing sixteen ounces before baking, the price has risen in New York from 5.5 cents in 1913 to 5.9 cents in 1916. The range of prices in cents in some cities follows:

City—	1913.	1914.	1915.	1916.
Chicago	5.2	5.3	5.8	5.8
Cincinnati	4.3	4.4	5.2	5.1
Minneapolis	5.0	5.0	5.8	5.7
New York	5.5	5.9	6.0	5.9
St. Louis	4.9	5.0	6.2	5.7
San Francisco	5.4	5.4	5.7	5.6

The closing here was firm.

Wheat advanced early in the week and then suddenly declined, owing to the sinking by submarine attacks of five or six steamships off Nantucket Island, rallying later as these attacks ceased, and closing somewhat higher for the week. The early decline was due partly to sympathy with lower prices for stocks and cotton, which broke violently on the submarine news. Stoppage of exports of wheat was feared, especially as war risks advanced some 500%. The air was full of rumors. Fear dominated the market. That was on Monday, Oct. 9. December on that day touched 1.54¾c., as against 1.59½c. on the previous Saturday. But even before the close of Monday there was a sharp rally, and on the following day this became more pronounced. For no further sinkings were reported. Men bethought themselves that Europe would have to have American wheat at whatever risk. Besides, the crop news from Argentina was bad. It was claimed that the crop in the Northern and Central Provinces is a failure. And the American crop was given in a Government report at only 607,557,000 bushels, against 1,011,505,000 bushels last year and 891,017,000 in 1914. It is the smallest since 1911, when it was 621,338,000 bushels. This year's crop includes only 152,851,000 bushels spring wheat against 357,000,000 last year. In France rains have hampered plowing and threshing. In Italy threshing results are not favorable. The Australian acreage is smaller than that of last year. In the Balkan States the crop outlook is generally favorable, but it is believed that much of the crops will be destroyed by military operations. On the other hand, Broomhall cabled from Liverpool: "The fate of the Argentine crop is still doubtful and the chances for rain making good the earlier losses is daily diminishing, but it is believed here that even with considerable loss in Argentina it would not be fatal to our nation's welfare, owing to the fact that the United Kingdom's supplies of native and foreign wheat afloat and ashore are sufficient to last seven months at the ordinary rate of consumption, or twelve months at a reduced rate. Australia has a promise of new surplus in connection with old supplies of fully 160,000,000 bushels available for export during the season, and Canadian advices from a responsible official state that the outturn will be better than expected and estimates will be raised." Furthermore, dispatches from London received here stated that Great Britain, France and Italy had taken over the entire purchasing of grain for those nations and that all transactions would be made through a Government commission. A message from "Corn Trade News," the organ of the British grain trade said: "The Government has officially announced that it has decided to take over the whole business of importing wheat, the same to be done on an equitable basis, free on board terms, with the right to commandeer and requisition freights at its pleasure." That would largely eliminate competition among foreign buyers in this country and theoretically at least hold prices in check. At the same time, Chicago heard that the first development under the new plan of complete government control of wheat imports for the United Kingdom was the buying of an immense quantity in Australia—18,500,000 bushels. No purchases at all were made in the United States, and instead of an expected rapid increase of the number of vessels available for the transport of wheat from this country, current advices told only of arrangements for enlarged loadings in Australia. There were also persistent rumors that the stocks of wheat in Canadian terminal elevators will be commandeered. Peace gossip, too, in connection with the visit of Ambassador Gerard had some passing effect. And England reported native supplies liberal. Cheerful crop reports were received from Australia. France and Germany crop accounts were favorable. France has liberal supplies of foreign wheat. Beneficial rains have fallen in India. To-day prices advanced early and then reacted nearly or quite to Thursday's closing prices. Half a million bushels were sold for export. Prices at Buenos Aires and Rosario were higher. But beneficial rains fell in Argentina.

DAILY CLOSING PRICES OF WHEAT FUTURES IN NEW YORK

No. 2 red	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
	167	164½	167½	170½	Hol.	170½

DAILY CLOSING PRICES OF WHEAT FUTURES IN CHICAGO.

December delivery in elevator	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
	159½	157½	159½	158½	Hol.	158½
May delivery in elevator	158½	156½	158½	157½	day.	157½
July delivery in elevator	134½	132½	134	133		133½

Indian corn advanced, though at one time lower, owing to the sinking of five or six steamers by submarines on Sunday, Oct. 8. Last Monday prices therefore declined. Export business was small owing to the U-boat scare and much higher war risks. The Government report on Monday, Oct. 9, too, was better than expected. It gave the conditions on Oct. 1 as 71.5, against 71.3 on Sept. 1, with 79.7 on Oct. 1 last year. The crop was put at 2,717,932,000 bushels, or 7,932,000 bushels more than a month ago, despite reports of frost damage. There have been small offerings of new corn. But on the decline, the Armour Company bought heavily, and prices with this and a rally in wheat became firmer. Later on, too, foreign business increased despite every seeming obstacle. On Tuesday export sales were estimated at 250,000 bushels. Tests at Omaha showed, it is said, 17 to 20% of moisture. But stocks are small. Some are inclined to emphasize this feature. Also European markets have been firm, even if the new business at Liverpool is light and Continental buying is on a smaller scale. Liverpool, too, is inclined to lay some stress on the notion that that market is overbought, adding that Argentine freights are easy and stocks at the Argentine ports liberal. Nevertheless, such reports wind up with the statement that prices are firm in



Liverpool and Argentina and that Argentine crop news is not favorable. In fact the crop outlook there is said to be bad. And the American crop is only 2,717,932,000 bushels, against 3,055,000,000 bushels last year. Many believe that the American surplus will be easily absorbed. Meantime the visible supply has gained within a week only 107,000 bushels, against an increase in the same time last year of 1,633,000 bushels, making the total only 5,200,000 bushels. On the other hand, prices are 20 to 25 cents higher than a year ago. To-day values advanced a fraction and closed higher for the week. Exporters took 300,000 bushels of old and 300,000 bushels of new, both to arrive. Cribbing will begin in parts of Iowa and Illinois next week if the weather is good.

#### DAILY CLOSING PRICES OF NO. 2 MIXED CORN IN NEW YORK.

No. 2 yellow.....cts. 100 98 1/2 99 98 3/4 Hol. 99 1/4

#### DAILY CLOSING PRICES OF CORN FUTURES IN CHICAGO.

December delivery in elevator.....cts. 76 1/2 76 1/4 77 76 1/2 Hol. 77  
May delivery in elevator.....78 1/2 78 1/4 78 3/4 78 1/2 day. 78 3/4

Oats declined and then rallied. The fluctuations have been within rather narrow limits. But the receipts have been large and the submarine scare early in the week made many believe that exports might be stopped or greatly restricted. Bears sold aggressively, expecting heavy long liquidation. Moreover, the visible supply increased 1,348,000 bushels, against an increase in the same week last year of only 352,000 bushels. The total visible stock in the United States is now 40,214,000 bushels, against only 14,753,000 a year ago, and some are wary about buying, believing prices too high, i. e., 11 to 17 cents higher than a year ago, on futures at Chicago and Winnipeg, and 14 cents higher than then for cash No. 3 white at New York. Also at times, Liverpool has been weaker, owing to the big stocks in America and larger offerings from Argentina. Yet later in the week oats became firmer at Chicago, in response to a stronger market for other grain and also because of the absence of further sinking of ships by submarines. Shorts thereupon covered freely at Chicago. Argentine crop reports are not favorable. The Government report of Oct. 9 stated the crop as only 30.2 bushels to the acre, as against 37.7 bushels last year, and the total yield as 1,229,182,000 bushels, against 1,540,000,000 last year, and 1,141,060,000 bushels in 1914. Yet, it is also true, that the present crop has been exceeded only twice, once, as we have seen, in 1915 and in 1912, when it was 1,418,337,000 bushels. Liverpool reports Argentine offerings as larger and trade quiet, with consumption moderate for the time being. To-day prices were slightly lower and closed lower for the week. Cash houses at Chicago sold December and bought May.

#### DAILY CLOSING PRICES OF OATS IN NEW YORK.

Standards.....cts. 53 1/2-54 1/4 52 1/2-53 1/4 53 1/2-54 53 1/2-54 Hol. 53-53 1/2  
No. 2 white.....Nom. Nom. Nom. Nom. day. Nom.

#### DAILY CLOSING PRICES OF OATS FUTURES IN CHICAGO.

December delivery in elevator.....cts. 49 1/4 48 1/2 48 3/4 48 1/2 Hol. 48 1/2  
May delivery in elevator.....52 1/4 51 1/2 51 1/4 51 1/4 day. 51 1/2

The following are closing quotations:

#### FLOUR.

Winter, low grades.....\$5 65@56 15 Spring, low grades.....\$5 15@56 90  
Winter patents.....7 80@8 15 Kansas straights, sacks.....7 80@8 05  
Winter straights.....7 30@7 50 Kansas clears, sacks.....6 45@7 25  
Winter clears.....7 00@7 30 City patents.....9 70  
Spring patents.....8 50@8 75 Rye flour.....6 75@7 10  
Spring straights.....8 15@8 45 Buckwheat flour.....6 00@7 00  
Spring clears.....7 25@7 50 Graham flour.....6 00@7 00

#### GRAIN.

Wheat, per bushel—f. o. b.—  
N. Spring, No. 1, new.....\$1 87 1/4  
N. Spring, No. 2.....1 70 1/4  
Red winter, No. 2, new.....1 70 1/4  
Hard winter, No. 2.....1 75 1/2  
Oats, per bushel, new—cts.  
Standard.....53@53 1/4  
No. 2, white.....Nom.  
No. 3, white.....52 1/2@53  
No. 4, white.....52@52 1/4  
Corn, per bushel—  
No. 2 mixed.....f. o. b. Nom.  
No. 2 yellow.....c. i. f. 99 1/4  
No. 2 yellow kiln dried.....Nom.  
Argentina in bags.....9 70  
Rye, per bushel—  
New York.....c. i. f. \$1 33  
Western.....c. i. f. \$1 33  
Barley, malting.....Nom

**WEATHER BULLETIN FOR PERIOD SEPT. 27 TO OCT. 10.**—The influences of weather on the crops as summarized in the weather bulletin issued by the Department of Agriculture for the period from Sept. 27 to Oct. 10 were as follows:

**Corn.**—Frost did some damage to corn in States east of the Mississippi River and north of the Ohio, also in West Virginia, Iowa, Missouri, and Washington, but in most of the sections where frost occurred the bulk of the crop had matured. Drought in southern Tennessee hurt corn. Harvesting is about finished in New York, New Jersey, Virginia, West Virginia, Ohio, Missouri, Tennessee, Minnesota and Iowa, while it progressed well in most Southern States, and in Kentucky, Michigan, Indiana, Illinois, Wisconsin, New Mexico, Montana, and Oregon, but in Maryland much remains to be cut. In some parts of Mississippi corn is a failure, and the late crop in South Carolina is poor, while in Indiana frost-bitten corn is being harvested for fodder with considerable difficulty, as it can only be handled when wet with dew. Husking, shocking, and drying are progressing in some sections.

**Plowing and Seeding, &c.**—Conditions were favorable for plowing and seeding of winter grains, except locally in a few Northern States, and in Alabama, Mississippi, Oregon, and Washington, where it was too dry; rain is needed also for the germination of seed in Texas, Oklahoma, and Nebraska. Some wheat is up in Illinois, Indiana, and Wisconsin, also in Nebraska and South Dakota. Seeding of wheat in Kentucky has been postponed as a precaution against the hessian fly.

In Montana the weather was favorable for the thrashing of spring wheat up to Oct. 1, when snow began.

Oats, barley, and rye are being seeded in the various sections where these grains are grown, but in many places rain is badly needed. Flax is yielding well in Minnesota, North Dakota, and Montana.

The harvesting and thrashing of rice is progressing in Arkansas, Texas, and California, and is about finished in Louisiana. Rice in the Weiner district of Arkansas was injured by frost and is breaking down, because the ground is too soft to harvest.

**Cotton.**—The weather of the past two weeks was very favorable for picking of cotton, and this work made good progress throughout the belt. Cotton is being picked as rapidly as it opens in Georgia; is nearly all picked in Alabama, Mississippi, Arkansas, Louisiana, and Texas, and the work made satisfactory progress in North Carolina and Oklahoma. In South Carolina ginning is far advanced, and warehouses are becoming congested. Cool weather checked the development of late cotton in North Carolina, South

Carolina, and Georgia during the week ending Oct. 3, but reports for the week ending Oct. 10 indicate that the weather of that week was more favorable. There will be no top crop in Louisiana and Texas owing to the boll weevil, and the top crop in Georgia will be short, although it is now opening more rapidly. The top crop in Oklahoma is maturing and opening nicely. Dry weather during the week ending Oct. 3 prevented the plowing under of cotton stalks in Alabama to destroy the boll weevil, and these pests have made rapid advances in Georgia. Much late cotton in Florida was destroyed by weevil and caterpillars. The cotton crop in southern Tennessee was cut short by drought, but the crop is reported good in the western part of that State.

**Potatoes.**—Damage was done to white potatoes by frost in New York and Wisconsin, and drought has injured this crop in Oklahoma and Louisiana, while the crop is poor in Arkansas. In Montana snow occurred Oct. 1-3, and caused anxiety concerning a large acreage of potatoes still undug, although the temperatures were not low enough to kill potatoes still in the ground. The yield of potatoes in Minnesota and Wisconsin is better than expected, but in West Virginia will be poor. Digging is general. Sweet potatoes are not as good as was expected in Georgia and Alabama, and dry weather has caused deterioration in Texas, but elsewhere they are good to excellent where grown.

**AGRICULTURAL DEPARTMENT'S OCTOBER REPORT.**—The report of the Department of Agriculture for Oct. 1 respecting cereal crops in the United States was issued on Oct. 9 as follows:

The Crop Reporting Board of the Bureau of Crop Estimates makes the following estimates from reports of its correspondents and agents:

Crop.	Oct. 1 1916, Indications.	Change since Sept. 1.	Final estimate 1915.	Price Oct. 1.	
				1916. Cents.	1915. Cents.
Winter wheat.....Bush.	*454,706,000	-----	655,045,000	-----	-----
Spring wheat....."	*152,851,000	-3,500,000	356,460,000	-----	-----
All wheat....."	*607,557,000	-3,500,000	1,011,505,000	136.3	90.9
Corn....."	2,717,932,000	+8,400,000	3,054,335,000	82.3	70.5
Oats....."	*1,229,182,000	-1,860,000	1,540,362,000	44.5	34.5
Barley....."	*183,536,000	-905,000	237,009,000	76.5	46.8
Rye....."	*41,884,000	-----	49,190,000	104.1	81.7
Buckwheat....."	13,942,000	-1,846,000	15,769,000	90.4	73.7
White potatoes....."	300,563,000	-17,929,000	359,103,000	112.0	48.8
Sweet potatoes....."	67,794,000	-1,535,000	74,295,000	83.7	72.7
Flax....."	15,411,000	+516,000	13,845,000	199.2	148.1
Rice....."	33,160,000	+337,000	28,947,000	-----	-----
Tobacco.....Lbs.	1,203,077,000	-20,495,000	1,060,587,000	-----	-----
Cotton.....Bales	11,637,000	-163,000	11,192,000	15.5	11.2
Peaches.....Bush.	*36,911,000	-----	63,460,000	a118.3	a81.1
Pears....."	10,193,000	-99,000	11,216,000	a102.7	a83.8
Apples.....Bbls.	66,169,000	-1,510,000	76,670,000	a230.2	a179.9
Hay (tame).....Tons	*86,155,000	-----	85,225,000	\$10.36	\$10.69
Hay (wild)....."	*20,070,000	-----	21,491,000	-----	-----
Sugar beets....."	7,510,000	-148,000	6,511,000	-----	-----
Kafirs.....Bush.	78,135,000	+3,473,000	114,460,000	-----	-----
Beans....."	b9,924,000	b+55,000	b10,278,000	a\$4.60	a\$2.70

Crop.	Condition Oct. 1.		Yield per acre.		Acreage.	
	1916.	10-yr. ave.	1916. bushels indicated	1915. bushels final.	Per cent of 1915.	Acres 1916.
Winter wheat.....	---	---	*13.8	16.2	81.6	33,020,000
Spring wheat.....	---	---	*8.6	18.3	91.8	17,851,000
All wheat.....	---	---	*11.9	16.9	84.9	50,871,000
Corn.....	71.5	77.0	25.0	28.2	100.3	108,620,000
Oats.....	---	---	*30.3	37.8	99.6	40,599,000
Barley.....	---	---	*23.7	32.0	104.9	7,757,000
Rye.....	---	---	*15.3	17.2	95.6	2,727,000
Buckwheat.....	67.0	81.0	17.0	19.6	101.7	819,000
White potatoes.....	62.6	74.6	82.8	95.5	96.6	3,632,000
Sweet potatoes.....	79.2	81.8	92.1	103.3	102.4	736,000
Flax.....	86.2	76.9	9.7	10.1	116.4	1,591,000
Rice.....	91.5	85.7	37.6	36.1	110.0	882,900
Tobacco (lbs.).....	85.6	81.8	860.4	775.1	102.2	1,398,000
Cotton (lbs.).....	c56.3	c67.2	156.3	170.3	112.1	d35,994,000
Hay, tame (tons).....	---	---	*1.64	1.68	103.2	52,504,000
Hay, wild (tons).....	---	---	*1.19	1.27	99.4	16,809,000
Sugar beets (tons).....	86.3	89.7	9.8	10.7	115.7	d768,500
Kafirs.....	65.2	81.4	19.9	27.6	94.4	3,922,000

\* Preliminary estimate. a Price Sept. 15. b Five States. c Condition Sept. 25. d Planted acreage.

The statement of the movement of breadstuffs to market indicated below are prepared by us from figures collected by the New York Produce Exchange. The receipts at Western lake and river ports for the week ending last Saturday and since Aug. 1 for each of the last three years have been:

Receipts at—	Flour.	Wheat.	Corn.	Oats.	Barley.	Rye.
Chicago.....	bbls. 196lbs. 189,000	bush. 60 lbs. 1,560,000	bush. 56 lbs. 2,013,000	bush. 32 lbs. 3,374,000	bush. 48lbs. 857,000	bush. 56lbs. 170,000
Minneapolis.....	-----	-----	3,453,000	1,486,000	1,388,000	354,000
Duluth.....	-----	1,286,000	-----	190,000	593,000	221,000
Milwaukee.....	55,000	423,000	141,000	1,135,000	519,000	148,000
Toledo.....	-----	97,000	37,000	31,000	-----	-----
Detroit.....	7,000	57,000	86,000	124,000	-----	-----
Cleveland.....	18,000	47,000	39,000	59,000	-----	3,000
St. Louis.....	89,000	958,000	124,000	442,000	117,000	9,000
Peoria.....	4,000	83,000	480,000	307,000	116,000	24,000
Kansas City.....	-----	1,988,000	197,000	719,000	-----	-----
Omaha.....	-----	912,000	133,000	557,000	-----	-----
Total wk. '16.....	362,000	10,864,000	3,289,000	8,424,000	3,590,000	929,000
Same wk. '15.....	429,000	13,634,000	4,954,000	5,707,000	3,004,000	1,022,000
Same wk. '14.....	468,000	13,617,000	2,573,000	9,884,000	3,330,000	794,000
Since Aug. 1—						
1916.....	3,651,000	113,589,000	36,988,000	76,943,000	24,167,000	6,938,000
1915.....	3,446,000	112,839,000	35,768,000	66,836,000	20,339,000	6,000,000
1914.....	4,475,000	137,268,000	36,524,000	86,015,000	24,333,000	6,126,000

Total receipts of flour and grain at the seaboard ports for the week ended Oct. 7 1916 follow:

Receipts at—	Flour.	Wheat.	Corn.	Oats.	Barley.	Rye.
New York.....	Barrels. 129,000	Bushels. 995,000	Bushels. 272,000	Bushels. 486,000	Bushels. 126,000	Bushels. 53,000
Portland, Me.....	-----	220,000	-----	-----	-----	-----
Philadelphia.....	24,000	654,000	179,000	439,000	-----	1,000
Baltimore.....	54,000	619,000	373,000	422,000	-----	441,000
N'port News.....	11,000	-----	-----	536,000	-----	-----
Norfolk.....	17,000	-----	-----	-----	-----	-----
Mobile.....	8,000	-----	26,000	2,000	-----	-----
New Orleans.....	46,000	803,000	48,000	42,000	-----	-----
Galveston.....	-----	253,000	-----	-----	-----	2,000
Montreal.....	79,000	2,091,000	144,000	514,000	325,000	-----
St. John.....	-----	64,000	-----	-----	-----	-----
Boston.....	45,000	174,000	59,000	43,000	1,000	12,000
Total wk. '16.....	413,000	5,873,000	1,101,000	2,484,000	452,000	509,000
Since Jan. 1 '16.....	20,741,000	315,932,000	49,924,000	149,114,000	23,486,000	9,623,000
Week 1915.....	539,000	9,337,000	311,000	2,834,000	319,000	965,000
Since Jan. 1 '15.....	19,965,000	295,179,000	45,367,000	117,029,000	8,943,000	9,819,000

a Receipts do not include grain passing through New Orleans for foreign ports on through bills of lading. \* Figures for Sept. 30.



The exports from the several seaboard ports for the week ending Oct. 7 are shown in the annexed statement:

Exports from—	Wheat. bushels.	Corn. bushels.	Flour. barrels.	Oats. bushels.	Rye. bushels.	Barley. bushels.	Peas. bushels.
New York	1,988,838	67,134	51,568	15,323	---	139,607	10,191
Portland, Me.	220,000	---	---	---	---	---	---
Boston	371,913	41,531	3,841	600	---	---	---
Philadelphia	395,000	---	19,000	215,000	---	---	---
Baltimore	945,951	505,607	25,239	406,918	451,394	48,031	---
Norfolk	---	---	17,000	---	---	---	---
Newport News	---	---	11,000	536,000	---	---	---
Mobile	---	26,000	8,000	2,000	---	---	---
New Orleans	715,000	50,000	71,000	4,000	---	---	1,000
Galveston	412,000	---	---	---	---	---	---
Montreal	1,601,000	154,000	77,000	---	---	142,000	---
St. John, N. B.	64,000	---	---	---	---	---	---
Total week	6,713,702	844,272	283,648	1,179,841	451,394	329,638	11,191
Week 1915	9,306,826	20,454	235,397	742,543	804,318	476,015	4,221

The destination of these exports for the week and since July 1 1916 is as below:

Exports for Week and Since July 1 to—	Flour.		Wheat.		Corn.	
	Week Oct. 7. 1916.	Since July 1 1916.	Week Oct. 7. 1916.	Since July 1 1916.	Week Oct. 7. 1916.	Since July 1 1916.
	Barrels.	Barrels.	Bushels.	Bushels.	Bushels.	Bushels.
United Kingdom	139,208	1,540,048	2,241,512	36,806,194	502,442	8,843,022
Continent	44,561	1,675,114	4,471,140	56,013,299	307,563	5,298,037
So. & Cent. Amer.	6,168	404,869	1,050	81,002	6,168	403,114
West Indies	28,099	529,910	---	3,333	28,099	577,472
Brit. No. Am. Colon.	---	3,954	---	---	---	1,100
Other countries	---	82,848	---	5,000	---	5,311
Total	844,272	4,236,743	6,713,702	92,908,828	844,272	15,128,056
Total 1915	235,397	2,862,333	9,306,826	59,492,633	20,454	3,871,556

The world's shipments of wheat and corn for the week ending Oct. 7 1916 and since July 1 1916 and 1915 are shown in the following:

Exports.	Wheat.			Corn.		
	1916.		1915.	1916.		1915.
	Week Oct. 7.	Since July 1.	Since July 1.	Week Oct. 7.	Since July 1.	Since July 1.
North Amer.*	Bushels. 8,332,000	Bushels. 120,778,000	Bushels. 81,804,000	Bushels. 1,021,000	Bushels. 15,837,000	Bushels. 2,288,000
Russia	160,000	4,678,000	1,160,000	---	281,000	---
Danube	---	---	---	---	---	---
Argentina	2,832,000	18,559,000	5,472,000	2,539,000	36,930,000	70,130,000
Australia	552,000	10,424,000	184,000	---	---	---
India	1,280,000	9,120,000	8,608,000	---	---	---
Oth. countr's	164,000	2,275,000	2,976,000	77,000	2,057,000	1,115,000
Total	13,300,000	165,834,000	100,204,000	3,637,000	55,105,000	73,533,000

a Revised.

\* North America.—The Canadian Government has officially prohibited the issuance of both manifests and exports until after ten days. This is effective during the continuance of the war.

The quantity of wheat and corn afloat for Europe on dates mentioned was as follows:

	Wheat.			Corn.		
	United Kingdom.	Continent.	Total.	United Kingdom.	Continent.	Total.
	Bushels.	Bushels.	Bushels.	Bushels.	Bushels.	Bushels.
Oct. 7 1916..	---	---	47,060,000	---	---	17,783,000
Sept. 30 1916..	---	---	45,472,000	---	---	19,576,000
Oct. 9 1915..	---	---	29,176,000	---	---	29,384,000
Oct. 10 1914..	---	---	35,052,000	---	---	18,351,000

The visible supply of grain, comprising the stocks in granary at principal points of accumulation at lake and seaboard ports Oct. 7 1916 was as follows:

GRAIN STOCKS.					
United States—		Wheat. bush.	Corn. bush.	Oats. bush.	Rye. bush.
New York	4,287,000	323,000	1,389,000	65,000	323,000
Boston	50,000	52,000	542,000	4,000	4,000
Philadelphia	1,485,000	31,000	275,000	13,000	---
Baltimore	2,380,000	98,000	1,203,000	140,000	12,000
Newport News	61,000	---	725,000	4,000	---
New Orleans	2,858,000	152,000	146,000	---	100,000
Galveston	2,442,000	15,000	---	---	---
Buffalo	4,321,000	956,000	2,914,000	242,000	343,000
Toledo	2,026,000	57,000	815,000	4,000	---
Detroit	415,000	110,000	242,000	25,000	---
Chicago	6,496,000	2,028,000	18,194,000	99,000	85,000
Milwaukee	81,000	51,000	1,205,000	61,000	258,000
Duluth	8,263,000	---	486,000	89,000	1,171,000
Minneapolis	6,342,000	1,000	5,948,000	325,000	344,000
St. Louis	2,499,000	116,000	620,000	9,000	---
Kansas City	11,732,000	417,000	1,810,000	76,000	---
Peoria	10,000	122,000	814,000	---	---
Indianapolis	292,000	292,000	840,000	---	---
Omaha	1,500,000	23,000	1,844,000	114,000	37,000
On Lakes	671,000	362,000	202,000	139,000	208,000
On Canal and River	47,000	---	---	---	30,000
Total Oct. 7 1916	58,258,000	5,200,000	40,214,000	1,419,000	2,915,000
Total Sept. 30 1916	57,416,000	5,093,000	38,866,000	1,006,000	2,460,000
Total Oct. 9 1915	18,246,000	5,026,000	14,753,000	1,413,000	3,343,000
Total Oct. 10 1914	57,121,000	4,727,000	29,226,000	1,924,000	4,176,000
Note.—Bonded grain not included above: Wheat, 1,813,000 bushels at New York, 124,000 Baltimore, 99,000 Philadelphia, 101,000 Boston, 164,000 Duluth, 2,068,000 Buffalo; total, 4,369,000 bushels, against 1,109,000 bushels in 1915. Oats, 290,000 New York, 18,000 Boston, 33,000 Baltimore, 54,000 Duluth, 1,729,000 Buffalo; total, 2,124,000 bushels, against 32,000 in 1915; and barley, 80,000 New York, 5,000 Baltimore, 41,000 Buffalo, 68,000 Duluth; total, 194,000, against 166,000 in 1915.					
Canadian—					
Montreal	1,976,000	822,000	3,331,000	124,000	590,000
Ft. William & Pt. Arthur	6,863,000	---	2,141,000	---	---
Other Canadian *	5,301,000	---	6,583,000	---	---
Total Oct. 7 1916*	14,140,000	822,000	12,055,000	124,000	590,000
Total Sept. 30 1916*	13,383,000	674,000	11,366,000	34,000	376,000
Total Oct. 9 1915	14,309,000	---	1,343,000	7,000	147,000
Total Oct. 10 1914	23,087,000	71,000	4,359,000	---	221,000
Summary—					
American	58,258,000	5,200,000	40,214,000	1,419,000	2,915,000
Canadian	14,140,000	822,000	12,055,000	124,000	590,000
Total Oct. 7 1916	72,398,000	6,022,000	52,269,000	1,563,000	3,505,000
Total Sept. 30 1916	67,799,000	5,767,000	50,232,000	1,040,000	2,836,000
Total Oct. 9 1915	32,555,000	5,026,000	16,096,000	1,420,000	3,490,000
Total Oct. 10 1914	80,208,000	4,798,000	33,585,000	1,924,000	4,397,000

\* Including Canadian at Buffalo and Duluth.

## THE DRY GOODS TRADE

New York, Friday Night, Oct. 13 1916.

Notwithstanding the fact that the German submarine activity off the Atlantic coast created an unsettled feeling in the dry goods markets, as well as in financial centres, confidence was quickly regained and buyers renewed their inquiries for goods on a large scale. The sharp decline in prices for raw material, as a result of the German submarine activity, had no effect on prices for manufactured products, which were firmly maintained and in some cases advanced. It is the general opinion that values have not as yet reached the top, as mills are well sold ahead with the demand for both domestic and export account increasing. Many manufacturers are so completely booked that they are unable to accept additional business for future delivery, and some mills are withdrawing their lines from sale. The high prices prevailing do not appear to have any effect in checking demand as merchants are anxious to provide for future requirements and are placing orders wherever mills can assure deliveries. Sentiment, despite the repeated threatening foreign difficulties, is very optimistic and it is generally expected that the present wave of prosperity will continue and with it a record breaking consumption of American cotton goods. Jobbers report a much better trade than usual at this time of the year and many have completely sold their fall lines and are endeavoring to obtain additional supplies from spinners who are not in a position to guarantee deliveries. Business in retail centres is also very active and stocks need replenishing. In the export division of the dry goods markets demand continues to improve, particularly with South American countries where large shipments of unbleached and colored goods are being made. Demand from Far Eastern markets, however, is limited with most of the exports to these countries consisting of the filling of old orders. During the early part of the week, exporters were greatly concerned over the submarine activities as it was feared they would delay shipments, but later in the week all apprehension in this connection appeared to pass away.

**DOMESTIC COTTON GOODS.**—With prices maintained at the highest levels recorded in years, demand for all classes of staple cotton goods continues active. There is almost an entire absence of the usual speculation, which generally accompanies a rapidly advancing market, as most of the buying in the market at the present time is for actual needs. Demand for spot goods of almost every description is active and many lines are becoming very scarce. Various descriptions of heavy goods have been advanced and are subject to further upward revision without notice. The delivery question appears to be the only factor that is now bothering buyers as mills are unable to guarantee these and in many cases will not accept additional orders owing to their over-sold condition. Cotton duck has been marked up  $\frac{1}{4}$ c. to  $\frac{1}{2}$ c. a yard, and some manufacturers are said to be reducing discounts. Colored cottons remain firm, with the tendency upward. Some buyers are said to have made heavy sales to retailers and are now short of goods. Inquiry for fancy goods is improving and is said to be exceeding production. While print cloths have been less active, prices have been maintained at the high levels. Gray goods, 38-inch standard are quoted at 7 $\frac{1}{2}$ c.

**WOOLEN GOODS.**—In the woolen goods market cutters-up are actively inquiring for dress goods to meet immediate requirements. The strike during the summer resulted in a late start to the fall season as orders were held back and now mills are finding it difficult to meet the demand for prompt deliveries. As a result, inquiry for old goods that have been carried in stock is active and top prices are being readily paid. Demand for goods for next spring is active and a large business has already been placed. While price lists for men's wear for next fall have not been announced it is generally believed that they will be above present levels. Fancy woolsens and worsteds remain firm, with the demand good. As there is no indication of the raw material situation improving, leading manufacturers of broadcloths have advanced prices from 10 to 10 $\frac{1}{2}$ c. per yard.

**FOREIGN DRY GOODS.**—There is no slackening in the demand for linens which continues good. Liberal sized orders have been booked for housekeeping lines for next spring, and according to reports buyers have been endeavoring to place contracts for next fall delivery. In fact it is reported in some quarters of the market that a small business for next fall delivery has already been placed. Handkerchief linens are becoming scarce and it is predicted that higher prices will be named by retailers. While some advices from abroad indicate that there will be larger supplies available for export within the near future, others maintain that the demand for home consumption will prevent any accumulation. Demand for burlaps has become quite active and prices rule firm. Light weights are quoted at 7.25c. and heavy weights at 8.45c.



## STATE AND CITY DEPARTMENT.

## MUNICIPAL BOND SALES IN SEPTEMBER.

We present herewith our detailed list of the municipal bond issues put out during the month of September, which the crowded condition of our columns prevented our publishing at the usual time. In the case of each loan reference is made to the page in the "Chronicle" where an account of the sale is given.

The review of the month's sales was given on page 1338 of the "Chronicle" of Oct. 7. Since then several belated June returns have been received, changing the total for the month to \$20,087,453. The number of municipalities issuing bonds during September was 387 and the number of separate issues 565.

Page.	Name.	Rate.	Maturity.	Amount.	Price.
1145.	Hardin County, Tenn.	5	1917-1936	100,000	101.66
960.	Hartford School District, Ind.	6	a1919	7,000	100
1341.	Hartsells, Ala.	6	1926	8,000	100
1057.	Henry County, Ohio (5 issues)	5	-----	78,000	102.137
1242.	Henry County, Ohio (2 issues)	5	-----	31,000	102.338
1242.	High Point, No. Caro.	5	1946	50,000	107.21
960.	Highland County, Ohio	5	1917-1923	7,252	101.52
1444.	Holt, Minn.	5½	1936	6,000	100.163
1242.	Hopkins County, Tex.	-----	-----	50,000	-----
960.	Independence S. D., Mo.	4½	d1921-1936	75,000	101.333
1057.	Indian Grave Dr. D., Ill.	6	a1925	289,200	100.13
1057.	Ironton, Ohio (2 issues)	4½	1936	375,000	104.17
1341.	Irrington, N. Y.	4½	a1925	12,000	101.429
960.	Jasper, Ind.	4	a1922	9,000	100.167
960.	Jasper County, Ind.	6	a1922	6,563	102.233
1145.	Jasper County, Ind. (2 issues)	4½	a1922	13,200	101.605
1341.	Jefferson Co., Ind. (2 issues)	4½	-----	10,200	102.019
1145.	Jewett, Ohio	5½	-----	6,000	103.445
1242.	Kanawha County, W. Va.	5	1946	170,000	101.015
1145.	Kearney School District, Neb.	4½	d1926-1936	10,000	100.11
1057.	Keo-England Dr. D. 4, Ark.	5½	a1932	45,000	101.70
1145.	Kenton, Ohio	5	a1934	31,100	107.04
1145.	Knight School Twp., Ind.	4½	-----	16,000	103.693
1242.	Lackawanna County, Pa.	4	1946	200,000	102.109
1242.	La Grange, Tex.	5	-----	4,000	100
1145.	Lake Co. Sp. Tax S. D. 40, Fla.	6	1931	2,000	100
1445.	Lake County, Ind.	4½	a1921	5,000	101.90
1445.	Lancaster, Ohio	5	-----	5,000	*100
1145.	Laporte County, Ind. (5 iss.)	4½	-----	36,900	-----
1341.	Larkin School District, Calif.	5	-----	10,000	104.70
1341.	Lawrence County, Ind.	4½	-----	26,000	101.926
1146.	Lawrence County, Tenn.	5	1932-1956	342,000	-----
1445.	Lee County, Fla.	6	-----	164,000	100.609
1242.	Leipsic, Ohio	6	a1919	3,200	102.399
1341.	Lenoir City, Tenn.	-----	-----	35,000	102.857
1058.	Lewisburg, Pa.	4	d1926-1946	16,000	101.25
1146.	Lexington, Ky.	4½	-----	15,435	101.082
1242.	Lima City School Dist., Ohio.	4½	a1929	490,000	102.591
1445.	Lockhart Sch. Twp., Ind.	4½	-----	2,000	101.80
1445.	Logan City S. D., Utah	4½	d1926-1936	80,000	100.533
1058.	Logan County, Ohio	5	a1922	11,000	103.318
1146.	Logan County, W. Va.	5	-----	200,000	101.037
1341.	Los Angeles Mun. Imp. Dist.	-----	-----	390,000	100
	No. 2, Cal.	5½	1921-1931	25,000	101.30
1341.	Lower Runningwater D. D., Ark.	5½	-----	118,800	-----
960.	Lucas County, O. (6 issues)	5	-----	26,000	101
1341.	Lynden, Wash.	5½	-----	191,000	101.53
960.	Lynn, Mass.	4	-----	152,500	101.65
1341.	Lynn, Mass. (3 issues)	4	-----	200,000	104.03
1146.	Macon, Ga. (2 issues)	4½	1921-1945	1,085	103.225
1445.	Magnetic Spgs., O. (2 issues)	6	-----	49,490	-----
1242.	Manhattan, Kan.	4½	1926	10,800	101.897
1058.	Marion County, Ind.	4½	a1922	25,000	102.01
1341.	Marion County, Ind.	4½	a1922	200,000	101.437
1243.	Marshall County, Miss.	5½	1926-1941	83,000	100.795
960.	Martin Co., Minn. (5 issues)	4½	a1927	14,000	102.428
1146.	Marysville, Ohio	5	-----	300,000	-----
1146.	Massachusetts, State of	3½	1919	48,480	101.897
1146.	Maumee, Ohio (4 issues)	5	-----	20,000	100.84
960.	Melrose, Mass. (2 issues)	4	-----	18,000	101.349
960.	Methuen, Mass.	4	a1926	17,900	100.368
1058.	Miami County, Ohio	4½	a1919	30,000	-----
1243.	Miller Spec. Road Dist., Mo.	-----	-----	1,350,000	103.43
1058.	Millwaukee, Wis. (3 issues)	4½	-----	380,000	103.861
1146.	Millwaukee County, Wis.	4½	1917-1936	85,000	100.136
1446.	Minneapolis, Minn.	4	1946	2,500	-----
1146.	Missoula Co. S. D. 4, Mont.	6	d1921-1936	150,000	106.618
1058.	Mobile County, Ala.	5	1936	36,000	-----
960.	Monroe County, Ind. (4 issues)	4½	-----	9,260	104.33
1342.	Monrovia Sch. Dist., Cal.	5	-----	15,000	100.81
1059.	Montgomery County, Ohio	4½	a1921	3,150	100.158
1243.	Montgomery County, Ohio	4½	1917-1920	50,000	101.50
1146.	Moriah Un. Fr. S. D. 1, N. Y.	5	a1933	5,900	101.779
960.	Morgan County, Ind.	4½	a1922	543,000	102.972
1059.	Morris County, N. J.	4½	-----	9,882	-----
1446.	Mt. Vernon, Ohio (2 issues)	5	-----	15,000	101.441
1146.	Murfreesboro, Tenn.	6	1917-1921	2,000	-----
1059.	Myrick Sep. Sch. Dist., Miss.	6	-----	27,000	-----
1059.	Myrtle Creek, Ore.	5½	1920	15,000	101
1243.	Myrtle Point, Ore.	5½	a1930	28,200	100
1342.	Nebraska (5 issues)	5	-----	3,500	102.857
1243.	Newark Valley (V.), N. Y.	5	1918-1924	60,000	101.263
1243.	New Brunswick, N. J.	4½	a1924	2,500	103.12
1146.	Newcastle Sch. Dist., Calif.	5	-----	3,500	-----
1342.	New Lexington, Ohio	-----	-----	4,500	100.222
1243.	New Lexington S. D., Ohio	-----	-----	6,500	102.076
1146.	Newport, Tenn.	6	-----	9,240	102.007
961.	Newton County, Ind.	4½	-----	72,000	103.398
1243.	Niagara Falls, N. Y.	4½	a1934	16,900	101.653
1146.	Noble County, Ind. (2 issues)	4½	-----	8,000	100.176
1243.	Nobles County, Minn.	5	1921-1928	82,000	100
1447.	North Dakota (23 issues)	4	-----	10,000	104.71
1146.	Norwood City Sch. Dist., Ohio	4½	a1934	10,500	105.66
961.	Ocean County, N. J.	5	1926	40,000	106.13
1342.	Oconto, Wis.	5	1917-1936	10,000	99.50
1447.	Ogden Sch. Dist., Iowa	4½	1921	195,000	-----
1342.	Ontonagon County, Mich.	5	1917-1931	13,000	-----
1447.	Osceola County, Iowa	4½	d1931-1936	23,021	-----
1147.	Osceola Co. Dr. Dists. Nos. 22 and 23, Iowa	5½	-----	3,000	-----
1059.	Ovett Sep. Sch. Dist., Miss.	5	-----	23,000	-----
1243.	Painesville, Ohio (6 issues)	5	-----	25,000	100.12
961.	Patoka Sch. Twp., Ind.	4	-----	18,500	100.351
961.	Pender, Neb.	5	d1921-1936	2,000	-----
1060.	Pendorf Sep. Sch. Dist., Miss.	4½	-----	13,770	104.40
1060.	Penn Sch. Twp., Ind.	4½	-----	28,800	102.517
1243.	Pike County, Ind.	4½	-----	130,000	100.615
1146.	Pike County, Miss.	5½	1917-1941	101,000	102.735
1146.	Pittsfield, Mass. (3 issues)	4	-----	2,250	101.666
961.	Polk, Ohio	5	a1919	6,000	104
961.	Pomeroy, Ohio	5	1926	64,000	102.804
1447.	Port Arthur, Tex.	5	1951-1956	10,000	101.07
1059.	Portage, Wis.	4½	1917-1926	65,000	102.789
1059.	Portage, Wis.	4½	1917-1936	23,400	101.15
1342.	Port Byron (V.), N. Y.	4.15	a1928	15,400	100.254
1342.	Portsmouth, Ohio (3 issues)	4½&5	-----	11,000	102.744
1447.	Prairie du Chien, Wisc.	5	1920-1925	6,000	-----
1243.	Princess Anne County, Va.	5	-----	130,000	105
1059.	Quincy, Ill.	4½	a1919	130,000	100.20
1243.	Randolph Co., Ind. (9 issues)	4½	a1922	77,900	101.84
1059.	Randolph County, Mo.	5	d1921-1936	30,000	103.30
1342.	Rapides Parish, La.	5	1917-1946	60,000	100.83
1447.	Red Cloud, Neb.	5	d1921-1936	10,000	100
1059.	Red Creek (V.), N. Y.	4.20	1946	30,000	-----
1244.	Rheet Lake Sch. Dist., Calif.	6	1919-1931	2,000	101.05
1243.	Riceville, Iowa	5	1926-1933	4,000	-----
1447.	Richvale Dr. D. No. 100, Cal.	6	-----	50,000	100.20
1147.	Roanoke, Va.	4½	1946	125,000	104.07
1342.	Rockmart Sch. Dist., Ga.	5	1917-1946	30,000	102.82
1243.	Rolfe Sch. Dist., Iowa	4½	-----	65,000	101.607
1059.	Ross County, Ohio	5	a1925	18,000	105.055
1244.	Rush County, Ind.	4½	a1921	16,600	102.281
1342.	Russell Sch. Dist., Cal.	5½	-----	1,250	103.20
1060.	St. Louis County, Minn.	4½	a1928	130,000	100.746
1147.	St. Louis County, Mo.	4½	-----	520,000	101.09
961.	Salem, Ohio (3 issues)	5½	-----	6,073	103.039
1060.	Sand Hill Sep. S. D., Miss.	4½	-----	1,500	-----
961.	Sandusky, Ohio	4½	1923-1926	42,500	101.558
1147.	Sandusky, Ohio	4½	-----	11,200	101.348
1447.	San Juan Co. S. D. No. 4, Wash.	5½	-----	2,000	-----
1342.	Sancti Barbara Co., Cal.	5	-----	50,000	115.862
1060.	Schenectady County, N. Y.	4	a1926	100,000	100.429
1060.	Scioto County, Ohio	4½	-----	22,500	104.622



Page.	Name.	Rate.	Maturity.	Amount.	Price.	Page.	Name.	Rate.	Maturity.	Amount.	Price.
1342	Scotland Neck, No. Caro.	5	a1936	80,000	101.61	1445	Harrison County, Miss.	---	---	550,000	---
1447	Scott Co. S. D. No. 56, Minn.	5	1925	3,000	100	1444	Haw River Twp., No. Caro.	---	---	---	---
1447	Seattle, Wash. (12 issues)	6	---	257,414	100	---	---	---	---	---	---
1060	Shaler Township, Pa.	4½	1924-1945	26,000	---	1444	Highlands, N. J. (February)	5	1922-1931	10,000	---
1244	Shelby County, Ind.	4½	---	25,600	101.914	1057	Hogansville, Ga. (2 iss. July)	5	1917-1932	8,000	101.25
1148	Shelbyville, Ind.	4½	a1923	22,000	103.64	1445	Iola Sch. Dist., Kan.	4½	1917-1921	40,000	---
1448	Sheldahl Sch. Dist., Iowa	---	---	6,000	---	1057	Jefferson, O. (2 issues June)	5	---	100,000	100
1244	Sherburne (V.), N. Y.	5	1921-1935	7,500	107.29	1341	Jonesboro, S. D., Ark. (July)	5	1918-1943	10,500	102.38
1244	Sidney (V.), N. Y.	5	---	11,200	101.01	1242	Jo Daviess Co. S. D. No. 107,	---	---	---	---
1448	Smithville, Ohio (2 issues)	5½	---	10,667	102.19	---	Ill. (March)	5	a1926	31,500	105.587
1060	South Glens Falls, N. Y.	4½	a1923	39,000	---	1445	Kansas (46 issues in July)	5	---	99,415	100
1060	South Park Ind. S. D., Tex.	4½	---	25,000	101.10	1445	Kansas (37 issues)	5	---	95,286	100
1244	Spokane County, Wash.	4½	---	180,000	100.082	1242	Kingsville, Tex. (July)	5	---	100,000	100.25
962	Springfield, Ohio (2 issues)	4½	---	33,397	---	1445	Krotz Springs S. D. No. 7, La.	---	---	---	---
962	Springfield, Ohio	5	1917-1921	2,227	---	---	(Feb.)	5	a1923	12,000	---
1244	Stanberry, Mo.	4½	---	15,000	---	1445	Kossuth County, Iowa (Jan.)	4½	1930-1931	34,000	101.345
1244	Starke County, Ind.	4½	a1922	13,500	101.69	1445	Kusa, Okla.	---	---	25,000	---
1148	Stark County, Ohio	4½	---	88,000	100.974	1445	Lake County, Ind. (Jan.)	4½	---	6,500	101.553
1148	Stealy Heights, W. Va.	6	d1916-1926	20,590	101.873	1058	Lancaster S. D. 40, S. C. (May)	6	1936	3,000	100
962	Sugar Creek Twp., Ohio	5½	a1925	4,700	103.851	1445	Lee County, Miss. (March)	5	1927-1941	24,000	---
962	Summit County, Ohio	4½	1917-1921	20,539	100.373	1058	Leicester (T.), N. Y.	5	1917-1918	3,000	100.166
1342	Superior, Wis.	4½	1925	25,000	100.56	1058	Leicester (T.), N. Y.	5	1919	2,000	100.375
1448	Tacoma, Wash.	6	1926	3,344	---	1058	Lemhi Co. S. D. No. 8, Idaho	5	1926	2,000	100.10
1148	Tchula, Miss. (3 issues)	5½	---	13,600	100	1058	Livonia School District, Mo.	5	d1921-1936	4,500	---
1148	Texas (52 issues)	5	---	119,200	100	1242	Madison Water D., Me. (July)	4	1921-1946	200,000	95
1244	Todd Co. Consol. S. D. No. 90,	5	1931	20,000	102.755	1146	Manatee County, Fla. (May)	6	1936	250,000	104.26
1148	Toole Co. S. D. No. 8, Mont.	6	d1921-1926	3,000	100	1058	Manistiquie S. D., Mich. (May)	4½	---	125,000	---
1060	Trafford, Pa.	5	a1928	7,500	---	1445	Marion County, Ind. (June)	4	a1927	100,000	104.611
1343	Trenton, N. J.	4½	---	77,000	101.268	1341	Marshall County, Miss.	5½	1926-1930	60,000	101.06
1343	Tropico S. D., Calif.	5	---	1,750	101.708	1058	Marathon County, Wis. (May)	5	1919-1922	20,000	104.13
1148	Troy, N. Y.	4½	a1927	57,500	104.179	1341	Marin Co. San D. 2, Cal. (April)	5	1936	7,500	100
1343	Trumbull County, Ohio	5	a1916	18,000	101.752	1058	Mayfield Twp. Rural S. D.,	---	---	---	---
1060	Tulsa, Okla.	5	a1934	*180,000	---	---	Ohio (June)	4½	a1919	3,600	100
1060	Tulsa, Okla.	5	a1931	50,000	105.126	1445	McAlester S. D., Okla. (May)	5	---	40,000	102.25
1060	Tulsa, Okla. (2 issues)	5	a1928	70,000	102.857	1445	McKinney, Tex.	5	d1925-1936	25,000	---
962	Union Sch. Twp., Ind.	5	a1924	20,000	105.58	1446	Middlesex County, N. J. (June)	---	---	30,000	100.30
962	Union Twp. S. D., N. J.	4½	---	107,000	104.01	1446	Milan School District, Mo.	5	d1926-1936	15,000	103.333
1148	Upshur County, Tex.	5	---	100,000	100.25	1243	Minidoka Co., Idaho (April)	5½	d1926-1936	25,000	---
1060	Van Wert County, Ohio	5	a1918	21,000	101.17	1059	Nebraska (July) (23 issues)	5	---	217,300	100
1244	Vermillion County, Ind.	4½	a1921	7,500	101.853	1059	Nebraska (11 issues)	5	---	104,600	100
1148	Vermillion Twp., Ohio	5	a1923	21,000	---	1059	Newberry Co. S. D. 14, So. Car	6	1924	3,500	---
1448	Vernon, Tex. (3 issues)	5	d1926-1936	54,000	---	1446	Newton, Kans.	4½	d1926-1941	70,000	100.564
1244	Wapello County, Iowa	4½	1921-1936	50,000	103.092	1446	Niles, Ohio (July)	5	1926	5,000	103.64
1244	Waseca Co. Ind. S. D. No. 89,	5	a1925	15,000	103.166	1243	North Dakota (9 issues)	4	---	75,200	100
1148	Washington C. H., Ohio (3 is.)	5	---	31,300	102.708	1447	Peoria Spec. S. D. Ohio (July)	5	1926	21,500	100
1343	Waterloo (V.), N. Y.	4.40	1918-1926	4,500	100.21	1447	Phillips Twp., Ill. (July)	5	1920-1923	9,000	---
1343	Waterloo (V.), N. Y.	4.40	1918-1925	4,000	100.11	1243	Pontotoc County, Miss. (April)	5½	1926-1936	50,000	100.95
1148	Waynesfield, Ohio (2 issues)	5	---	16,300	---	1059	Quitman County, Miss.	5½	a1941	25,000	---
1245	Wayne Twp. S. D., Ohio	5	a1934	2,000	102.55	1059	Red Lake Falls, Minn.	5½	1936	9,000	---
1448	Waynesfield, Ohio	5	---	16,300	100.703	1147	Renville County, Minn.	5	1922-1936	350,000	---
1148	Wayzata, Minn.	5	1917-1921	15,000	102	1342	River Township, No. Caro.	5	---	30,000	100
1448	Waynoka, Okla.	6	1941	50,000	100	1147	Robesonia School Dist., Pa.	4	---	1,500	100
1343	West Covina S. D., Cal.	5½	---	2,000	103.75	1447	Robinson, Ills. (2 issues)	5	1917-1921	7,000	---
1148	West Monroe, La.	5	---	45,000	---	1447	Rock Island Sch. Dist., Ill.	4½	1921	100,000	100.536
1148	West Park, Ohio (2 issues)	5	---	9,500	106.81	1147	Rockford, Ohio (2 issues)	5	1928	70,321	---
1061	West Salem, Ohio	5	a1921	24,000	101.458	1447	Sequin, Tex.	5	d1926-1936	36,000	---
1343	White River S. D., Calif.	6	1917-1931	1,500	103.045	1447	Shelby VII S. D., Ohio (June)	5	a1937	15,000	105.433
1061	Whitman Co. S. D. No. 184,	5½	d1921-1926	1,500	100	1148	Sidney Ind. S. D., Iowa	---	---	30,000	---
1244	Willoughby, Ohio	5	a1922	7,000	102	1448	Solon Twp. Rural S. D., Ohio	---	---	---	---
1343	Wilsonia S. D., Calif.	6	---	1,500	106.666	---	(Feb.)	5	---	4,766	100.482
1244	Winfield, Kans.	4½	d1926-1936	89,000	100.674	1447	Sapulpa Twp., Okla. (Feb.)	6	1941	45,000	---
1449	Woodward, Okla. (2 issues)	5	d1921-1941	15,000	100.05	1448	Sequoiah Co., Okla. (5 issues,	6	1941	78,700	---
1061	Worland, Wyo.	5½	d1931-1946	25,000	100.63	---	June)	---	---	---	---
1061	Worland, Wyo.	5½	d1926-1936	15,000	100.39	1448	Strongsville Twp. Rural S. D.,	5	---	3,500	102.142
1149	Wyandot County, Ohio (3 iss.)	5	---	33,400	102.20	---	Ohio (Jan.)	5	---	4,366	---
1061	Xenia, Ohio (4 issues)	4½	---	91,000	101.134	1148	Tacoma, Wash. (4 issues)	6	---	12,500	103
963	Yellow Springs, Ohio	5	a1922	5,996	101.084	1448	Tishomingo, Okla. (2 issues)	6	1941	1,314	101.054
1245	Youngstown, Ohio (12 issues)	5	---	77,555	---	1244	Tootogany, Ohio (April)	6	a1921	6,500	101.353
963	Zanesville, Ohio	4½	1918-1925	20,000	101.10	1448	Trumbull County, Ohio	5	1918-1920	250,000	---

Total bond sales for September 1916 (387 municipalities, covering 565 separate issues) \$20,087,453

a Average date of maturity. d Subject to call in and after the earlier year and maturity in the later year. k Not including \$18,521,199 of temporary loans reported, and which do not belong in the list. \* Taken by sinking fund as an investment. h And other considerations.

#### REVISED TOTALS FOR PREVIOUS MONTHS.

The following items, included in our totals for previous months, should be eliminated from the same. We give the page number of the issue of our paper in which the reasons for these eliminations may be found.

Page.	Name.	Amount.
170	Blackfoot, Idaho (June list)	\$22,250
1145	Elkhart, Ind. (July list)	30,000
431	Kenosha, Wis. (2 issues) (July list)	120,000
1445	Logan County, Ohio (July list)	15,000
1445	Los Banos S. Dist., Calif. (August list)	63,000
1146	Mount Clemens, Mich. (August list)	34,000
1059	Oxford, Ohio (August list)	15,000
1147	Pike County, Miss. (August list)	130,000
1060	St. Bernard, Ohio (August list)	50,000

We have also learned of the following additional sales for previous months:

Page.	Name.	Rate.	Maturity.	Amount.	Price.
1055	Adams Twp. Rur. S. D., O. (July)	5	---	\$3,400	101.86
1055	Allegany Co., Md. (2 iss.) (July)	4½	---	45,000	101.381
1055	Alliance S. D., Ohio (June)	5	a1927	100,000	105.034
1339	Ames School District, Iowa	4½	1935	9,000	---
2270	Arkansas Co. R. D. 1, Ark. (June)	6	1919-1936	40,000	---
1055	Belfast (Town), N. Y.	4.48	1917-1921	5,000	100
1055	Bellevue, Pa. (July)	4½	1921-1946	50,000	---
1056	Bostwick Dr. D., Fla. (April)	6	1941	25,000	95
1241	Chautauque (T.) Union Free	4½	a1932	30,000	102.75
1056	Chouteau Co. S. D. No. 44,	6	d1931-1936	8,500	107.24
---	Mont. (June)	---	---	4,000	104
1144	Clayville, N. Y. (June)	5	a1927	46,840	---
1056	Cleveland Hgts., O. (2 issues)	5	---	9,000	103.333
1056	Coltsville Twp. S. D., O. (April)	5	---	17,000	100
1444	Colorado Springs, Colo. (July)	4	d1936-1946	---	---
1443	Columbiana Co., Ohio (15 is-	5	---	383,700	---
---	ssues, July)	---	---	199,000	*100
1443	Columbus, Ohio (16 issues)	4½	---	176,000	*100
1444	Columbus H. S. D., No. Caro.	6	---	5,000	101
---	(Feb.)	---	---	7,000	100.071
1340	Columbus, Wis. (June)	4½	1917-1919	15,000	103.12
1340	Conecuh County, Ala. (June)	5	1946	10,000	---
1340	Davenport, Iowa	4½	1921-1936	89,000	---
1340	Davenport Ind. S. D., Ia. (June)	4	1926-1928	18,000	h103.28
1241	Delhi, N. Y.	5	1917-1925	5,000	---
1444	Dustin, Okla. (March)	6	1936	29,678	101.152
1057	East View, Ohio (July)	5	1917-1926	15,000	*100
1340	Eau Claire, Wis. (March)	4	1917-1926	30,000	101.44
1057	Elko County, Nev. (April)	6	1918-1930	35,000	101.082
1340	Fair Haven Twp., Mich. (June)	4½	1917-1941	25,000	---
1444	Faucett Twp., No. Caro. (July)	6	1922-1946	220,000	---
1241	Fannin Co., Tex. (2 iss. June)	5	d1926-1936	80,000	98.89
1340	Flint Union S. D., Mich.	4	1945-1948	17,500	---
1444	Fordyce Spec. S. D., Ark. (July)	6	1932-1936	1,800	100
1341	Freedom Sch. Dist., Iowa	5	1917-1925	40,000	101.055
1057	Gratiot County, Mich. (May)	5	a1918	12,000	103.083
1057	Greybull, Wyo. (April)	6	d1926-1936	100,000	102.185
1057	Greenville, Tex. (May)	5	---	45,000	---
1057	Grover Village S. D., O. (April)	5	a1926	---	---

Page.	Name.	Rate.	Maturity.	Amount.	Price.
1445.	Harrison County, Miss.	---	---	550,000	-----
444.	Haw River Twp., No. Caro.	---	---	---	---
	(June)	5	---	10,000	---
444.	Highlands, N. J. (February)	5	1922-1931	8,000	101.25
057.	Hogansville, Ga. (2 iss. July)	5	1917-1932	40,000	-----
445.	Iola Sch. Dist., Kan.	4 1/4	1917-1921	100,000	100
057.	Jefferson, O. (2 issues June)	5	---	10,500	102.38
341.	Jonashoro, S. D., Ark. (July)	5	1918-1943	85,000	-----
242.	Jo Davless Co. S. D. No. 107,	---	---	---	---
	Ill. (March)	5	a1926	31,500	105.587
445.	Kansas (46 issues in July)	5	---	99,415	100
445.	Kansas (37 issues)	5 1/2	---	95,286	100
242.	Kingsville, Tex. (July)	5	---	100,000	100.25
445.	Krotz Springs S. D. No. 7, La.	---	---	---	---
	(Feb.)	5	a1923	12,000	---
445.	Kossuth County, Iowa (Jan.)	4 1/2	1930-1931	34,000	101.345
145.	Kusa, Okla.	---	---	25,000	---
445.	Lake County, Ind. (Jan.)	4 1/2	---	6,500	101.553
058.	Lancaster S. D. 40, S. C. (May)	6	1936	3,000	100
445.	Lee County, Miss. (March)	5	1927-1941	24,000	---
058.	Leicester (T.), N. Y.	5	1917-1918	3,000	100.166
058.	Leicester (T.), N. Y.	5	1919	2,000	100.375
058.	Lemhi Co. S. D. No. 8, Idaho.	5	1926	2,000	100.10
058.	Livonia School District, Mo.	5	d1921-1936	4,500	---
242.	Madison Water D. Me. (July)	4	1921-1946	200,000	95
146.	Manatee County, Fla. (May)	6	1936	250,000	104.26
058.	Manistique S. D., Mich. (May)	4 1/2	---	125,000	---
445.	Marion County, Ind. (June)	4	a1927	100,000	104.611
341.	Marshall County, Miss.	5 1/4	1926-1930	60,000	101.06
058.	Marathon County, Wis. (May)	5	1919-1922	20,000	104.13
341.	Marin Co. San D. 2, Cal. (April)	5	1936	7,500	100
058.	Mayfield Twp. Rural S. D.,	---	---	---	---
	Ohio (June)	4 1/2	a1919	3,600	100
1445.	McAlester S. D., Okla. (May)	5	---	40,000	102.25
1445.	McKinney, Tex.	5	d1929-1936	25,000	---
446.	Middlesex County, N. J. (June)	---	---	30,000	100.30
446.	Milan School District, Mo.	5	d1926-1936	15,000	103.333
1243.	Minidoka Co., Idaho (April)	5 1/2	d1926-1936	25,000	---
1059.	Nebraska (July) (23 issues)	5	---	217,300	100
1059.	Nebraska (11 issues)	5	---	104,600	100
1059.	Newberry Co. S. D. 14, So. Car	---	1924	3,500	-----
446.	Newton, Kans.	4 1/2	d1926-1941	70,000	100.564
446.	Niles, Ohio (July)	5	1926	5,000	103.64
1243.	North Dakota (9 issues)	4	---	75,200	100
1243.	Oakwood, Ohio (March)	5	a1922	28,050	---
1059.	Oneida County, Wis. (June)	5	1926	21,500	100
447.	Peoria Spec. S. D. Ohio (July)	5	a1919	2,500	-----
447.	Phillips Twp., Ill. (July)	5	1920-1923	9,000	---
1243.	Pontotoc County, Miss. (April)	5 1/2	1926-1936	50,000	100.95
1059.	Quitman County, Miss.	5 1/2	a1941	25,000	---
1059.	Red Lake Falls, Minn.	5 1/2	1936	9,000	-----
1147.	Renville County, Minn.	5	1922-1936	350,000	---
1342.	River Township, No. Caro.	5	---	30,000	100
1147.	Robesonia School Dist., Pa.	4	---	1,500	100
447.	Robinson, Ills. (2 issues)	5	---	7,000	-----
447.	Rockford, Ohio (2 issues)	5	1917-1921	5,000	100
447.	Rock Island Sen. Dist., Ill.	4 1/2	1921	100,000	100.536
1147.	Seattle, Wash. (10 issues)	6	1928	70,321	-----
447.	Sequin, Tex.	5	d1926-1956	36,000	---
447.	Shelby VII. S. D., Ohio (June)	5	a1937	15,000	105.433
1148.	Sidney Ind. S. D., Iowa.	---	---	30,000	-----
1448.	Solon Twp. Rural S. D., Ohio	---	---	---	---
	(Feb.)	5	---	4,766	100.482
1447.	Sapulpa Twp., Okla. (Feb.)	6	1941	45,000	-----
1448.	Sequoyah Co., Okla. (5 issues,	---	---	---	---
	June)	6	1941	78,700	-----
1448.	Strongsville Twp. Rural S. D.,	---	---	---	---
	Ohio (Jan.)	5	---	3,500	102.142
1148.	Tacoma, Wash. (4 issues)	6	---	4,366	-----
1448.	Tishomingo, Okla. (2 issues)	6	1941	12,500	103
1244.	Tontogany, Ohio (April)	6	a1921	1,314	101.054
1448.	Trumbull County, Ohio	5	1918-1920	6,500	101.353
1060.	Tyler, Tex.	5	1917-1956	250,000	---
1148.	Ute, Iowa (May)	5	---	15,000	-----
1060.	Van Etten & Spencer (Towns)	---	---	---	---
	S. D. No. 1, N. Y. (April)	4 1/2	---	16,500	101.85
1448.	Waller County, Tex.	5	d1926-1956	25,000	100
1060.	Washington Co. S. D. No. 22,	---	---	---	---
	Idaho (June)	5	d1926-1936	12,000	102.20
1343.	Westernport, Md. (May)	5	d1931-1941	20,000	100
1061.	Williamsport, Ohio (June)	5	1917-1926	4,000	102.115
1449.	Yates Centre, Kan. (May)	4 1/2	d1921-1936	70,000	100
1245.	Yazoo Co., Miss. (3 iss. June)	5 1/4	---	643,000	-----

All the above sales (except as indicated) are for August. These additional August issues will make the total sales (not including temporary loans) for that month \$23,877,969.

DEBENTURES SOLD BY CANADIAN MUNICIPALITIES IN SEPTEMBER.

Page.	Name.	Rate.	Maturity.	Amount.	Price.
1449.	Aylmer, Que.	5 1/2	1946	\$15,000	---
1239.	Canada (Dominion of)	5	1931	100,000,000	97 1/2
1061.	Cartierville, Que.	6	1956	100,000	---
1061.	Drinkwater Sch. D., Sask.	6	1936	12,000	---
1246.	Edmonton, Alta. (5 issues)	5	1934	563,000	87.65
1449.	Grand Mere, Que.	5 1/2	1946	100,000	91.63
1449.	Kitchener, Ont.	5 1/2	1917-1946	9,300	101.28
1449.	Kitchener, Ont.	5 1/2	1917-1931	7,200	---
1344.	Lipton Sch. Dist., Sask.	6	1917-1936	10,000	---
1344.	Magog, Que.	6	---	25,000	---
1344.	Monck Twp., Ont.	5 1/2	1917-1926	4,600	---
1061.	North Bay, Ont.	6	1917-1936	15,000	100.893
1449.	Oakville, Ont.	5 1/2	1917-1919	1,603	---
1449.	Oakville, Ont.	5 1/2	1917-1936	4,420	---
1449.	Oxbow, Sask.	6	1917-1936	16,000	---
1449.	Radville, Sask.	7	1917-1926	6,500	---
1344.	Riviere St. Pierre, Que.	6	1946	80,000	96.36
1344.	Sandwich, Ont.	6	1917-1926	5,507	---
1449.	Saskatchewan S. D's (4 issues)	---	---	10,300	---
1344.	Saskatchewan (5 issues)	---	---	16,800	---
1344.	Saskatchewan (5 issues)	7	---	5,450	---
1149.	Saskatchewan School Dists.	---	---	5,200	103.486
1246.	Saskatchewan School Dists.	---	---	32,900	---
1061.	Stayner, Ont.	6	1936	2,000	103.59
1449.	The Pas, Man.	5	1935	12,000	---
1149.	Wellesley Twp., Ont.	4 1/2	1917-1931	1,735	92.21
1449.	Winnipeg Beach S. D., Man.	6	1917-1926	3,500	98.75
1449.	York Township, Ont.	5 1/2	1917-1936	4,000	---



denced by the bonds of Arizona, its counties, municipalities, or other subdivisions. Further provision is made for the exemption from taxation of the property of widows, residents of this State, not exceeding the amount of \$2,000, where the total assessments of such widow does not exceed \$5,000. All property in the State not exempt under the laws of the United States or under this constitution, or exempted by law under the provisions of this section, shall be subject to taxation to be ascertained as provided by law. This section shall be self-executing.

**Proposed by Initiative Petition.**

Amendment to the constitution by adding thereto another article to be designated as Article 24, prohibiting the receiving from without the State, the possession, by a person introducing into the State, the transportation within the State of Arizona, of ardent spirits, ale, beer, wine, or intoxicating liquors, and providing for the destruction of liquors used in violation of above provisions.

Amendment to Article 4 of the constitution providing for legislative redistricting.

Amendment to Article 23 of the constitution by adding thereto a new section to be designated as Section 4, providing for local option.

Amendment to the constitution by adding thereto another article to be designated Article 24, providing for the protection and safety of workmen in all places of employment and for the inspection and regulation of places of employment in all inherently hazardous works and occupations; providing a schedule of compensation for injury to or death of workmen and methods of paying the same, and prescribing the liability of employers who do not elect to pay such compensation; establishing the industrial accident board, defining its powers and duties; providing for a review of its awards; and abrogating any and all laws and constitutional provisions in conflict herewith.

Amendment to Section 1 of Subdivision 1 of Article 4 of the constitution providing for the abolition of the State Senate.

**Proposed by Initiative Petition of the People.**

Act creating a department of labor, prescribing the duties, powers, qualifications and compensation of the Commissioner of Labor and the employees of the department, providing for a board of arbitration to act in conjunction with the Commissioner of Labor in certain instances, and prescribing certain penalties for the violation of the provisions of this Act, and making appropriation for the carrying out of the provisions of this Act.

Act amending Paragraph 173, Chapter 1, Title 8, Penal Code, Revised Statutes of Arizona, 1913, abolishing the death penalty.

Act to establish the office of State Architect and Superintendent of Building, prescribing his qualifications and duties, fixing his compensation, providing for such employees as from time to time shall be necessary, fixing the compensation and making the appropriations.

Act relating to the preservation of fish and game and amending paragraphs 654 and 670, Title 8, Penal Code of the Revised Statutes of Arizona, 1913.

Act to amend paragraphs 3859 and 3860, Chapter 4, Title 32, Revised Statutes of Arizona, 1913, Civil Code, relating to absolute divorce.

**California (State of).—Propositions for Submission at General Election.**—Seven propositions will be passed upon by the voters at the general election Nov. 7. The following is the manner in which the questions will be designated on the ballot:

**Prohibition.**—Initiative measure adding Article XXIV to constitution. Defines alcoholic liquor. After Jan. 1 1920 prohibits the manufacture, sale or possession of same, except for medicinal, sacramental, scientific and mechanical purposes under restrictions prescribed by law. Prescribes and authorizes penalties. Declares payment of internal revenue tax prima facie evidence of violation. Declares this amendment shall not affect prohibitory liquor laws, or ordinances, enacted before such date, or be construed as in conflict with Article XXIV-A of constitution if latter article is adopted, and that this amendment supersedes that article on that date.

**Initiative Amendment,** adding Article XXIV-A to constitution. Defines alcoholic liquor. After Jan. 1 1918 prohibits its possession, gift or sale in saloon, dramshop, dive, store, hotel, restaurant, club, dance hall or other place of public resort; prohibits sale, accepting or soliciting orders anywhere, except in pharmacies for certain purposes and by manufacturers on premises where manufactured, under delivery and quantity restrictions. Owner or manager of all such places to prevent drinking therein. Restricts transportation. Payment internal revenue tax prima facie evidence of violation. Prescribes and authorizes penalties. Neither repeals nor limits State or local prohibition, or Article XXIV of constitution.

**For the State Highway Act of 1915.**—This Act provides for the issuance and sale of State bonds in the sum of \$15,000,000 for the construction of the uncompleted portions of the system of State highways prescribed by the State Highways Act of 1909 and extensions thereof; and prescribes such extensions, and character of construction of same.

**Direct Primary Law.**—Submitted to electors by referendum. Amends provisions of Direct Primary Law of 1913 governing nominations at primary elections so as to permit declaration of party affiliation by elector at polls instead of when registering; prescribes official ballot containing names of all candidates; electors declaring at polls affiliation with party to vote for candidates of that party only and for present non-partisan offices, electors not so declaring to vote for non-partisan offices only; requires election officer, before delivering ballot to elector, to cancel such portion thereof as elector is not entitled to vote.

**Land Taxation.**—Initiative measure effective Jan. 1 1917, amending Article XIII of constitution. Declares all public revenues shall be raised by taxation of land values, exclusive of improvements; forbids tax or charge for revenue on labor product, occupation, business or person; permits assessment of incomes and inheritances for old age pensions, mothers' endowments and workmen's unemployment and disability insurance. Declares land shall be equally assessed according to its value for use or occupancy, disregarding man's work thereon, such value determinable in municipalities and wherever else practicable by "Somers System" or other means of exact computation from central locations.

**Ineligibility to Office.**—Initiative measure amending Section 19 of Article IV of constitution. Declares that no Senator or Member of Assembly shall, during the term for which he shall have been elected, hold or accept any office, trust, or employment under this State; provided that this provision shall not apply to any office filled by election by the people.

**For the Amendment to the State Highway Act.**—Amends Section 8 of State Highway Act of 1909 by providing that whenever State Engineering Department determines that construction cost of State highway in county entails unjust burden on such county in refunding to State entire bond interest on bond proceeds spent therefor, such county shall be required to refund only such portion thereof as such department adjudges reasonable. Amendment effective Dec. 31 1916.

**Canada (Dominion of).—New Issue of Debenture Stock.**—According to a recent announcement made by the Canadian Finance Department, debenture stock will be issued bearing 5% interest and maturing Oct. 14 1919, with interest from the day of purchase. See reference this week in our editorial columns.

**Cleveland—East Cleveland.—Annexation Election.**—At the general election to be held Nov. 7, the voters of Cleveland will vote on the question of whether or not the City of East Cleveland shall be annexed to the larger city. The new city proposed to be annexed has, according to the U. S. Census of 1910, a population of 9,179.

**Colorado (State of).—Proposed Constitutional Amendments and Measures to be Submitted at General Election.**—At the general election Nov. 7 the people will vote on two proposed constitutional amendments and four laws initiated by petition and one bill referred by petition of referendum. The propositions to be voted upon are as follows:

No. 1. Amendment to the Constitution to be known as Section 13, Article XII, providing for the application of the merit system to appointments in the civil service of the State.

No. 2. Amendment to the Constitution to be known as Section 3, Article XXII, relating to the manufacture and sale of beer.

No. 3. Proposed law to provide for the care and treatment for all the insane.

No. 4. Proposed law to abolish the Colorado Tax Commission and transferring its powers and duties to the State Board of Equalization.

No. 5. Proposed law relating to the running of stock at large.

No. 6. Proposed law relating to the investment of the public school funds.

No. 7. Proposed law relating to the practice of medicine in the State of Colorado.

Nos. 1 to 6 inclusive were initiated by petition, while No 7 is referred by petition of referendum.

**Lawrence, Kans.—Supreme Court Upholds Water-Works Bond Issue.**—The State Supreme Court on Oct. 7 allowed a peremptory writ of mandamus to compel the city to issue the \$175,000 water-works purchase bonds offered without success on July 5 and which were claimed to be illegal by Chicago bond attorneys and experts.—V. 103, p. 958.

**Maine (State of).—Official Vote on Propositions Submitted at September Election.**—The following vote was cast "for" and "against" the two propositions (V. 103, p. 862) submitted at the election held Sept. 11:

**Question No. 1.—Referendum.**—Limiting the number of hours of employment of women and children to fifty-four in one week, in accordance with the provisions of Chapter 350, Public Laws of 1915. For, 95,591. Against, 40,252.

**Question No. 2.—Submitted by the Legislature.**—Providing for State and county aid for towns in the construction of highway bridges, in accordance with the provisions of Chapter 319, Public Laws of 1915. For, 96,677. Against, 14,138.

**Missouri (State of).—Proposed Constitutional Amendments.**—On Nov. 7 the voters will have submitted to them the following proposed amendments to the constitution:

**Referred to the People by the Legislative Assembly.**  
Amendment to Section 47, Article 4 of the constitution, concerning pensions to the deserving blind.

**Proposed by Initiative Petition.**  
Amendment empowering the Legislature to create, by special law, a State Land Bank with power to loan money secured by deed of trust on agricultural lands and to issue bonds, and authorizing the appropriation of one million dollars (\$1,000,000 00) out of the State Treasury for that purpose, and to exempt the capital and bonds of said bank from taxation, and validating any legislation heretofore enacted for such purposes.

Amendment prohibiting, after July 1 1917, the manufacture of, the introduction into, and the giving, exchanging, bartering, selling or disposing of intoxicating liquors in the State of Missouri, except wine for sacramental purposes, prescribing a penalty for the violation thereof and repealing all parts of the constitution, statutes and municipal laws in conflict therewith.

**Monroe, Mich.—Mayor Recalled.**—At a recent election Mayor E. C. Betz was recalled and Adam W. Graessley elected his successor. This, it is said, was the first attempt at a recall under the new city charter.

**Nebraska (State of).—Proposed Constitutional Amendments.**—A vote will be taken Nov. 7 on the following proposed amendments to the constitution referred to the people by initiative petition:

Amendment to the Constitution adding thereto a new Article to be designated as Article XVII, providing for State-wide prohibition.

Amendment to Article V of the constitution, adding thereto a new Section to be designated Section 19B, providing that the State Pure Food Department should be taken out of politics and the employees placed under civil service.

**New York City.—Corporate Stock Listed.**—The \$40,000,000 50-year, and \$15,000,000 1-15-year serial 4¼% corporate stock sold on April 19, will be admitted to the list of the New York Stock Exchange on Oct. 16.—V. 102, p. 1557.

**Northville, Mich.—Municipal Light Plant Sold.**—This municipality on Oct. 2 by a vote of 229 to 29 authorized, it is stated, the purchase by the Edison Co. of the local lighting plant for \$36,000. The company plans, it is said, to erect an office building at this point and make this the headquarters for the entire local district outside of Detroit as far east as Romeo. The company recently bought the Plymouth, Mich., plant.

## Bond Calls and Redemptions.

**Abington Township, Montgomery County, Pa.—Bond Call.**—Notice is given that payment will be made on and after Nov. 1 at the Jenkintown National Bank at Jenkintown of bonds numbered 12, 13, 14 and 15, each for \$1,000, of the loan of 1907, Class A.

**Havana, Cuba.—Bond Call.**—Coupon No. 110 on first mortgage bonds and the principal of the following bonds were called for payment on and after Oct. 1 at the office of Lawrence Turnure & Co., 64 Wall St., New York City: 7,971 to 7,980, 10,261 to 10,270, 11,211 to 11,220, 11,551 to 11,560, 14,111 to 14,120, 19,521 to 19,530, 20,821 to 20,830, 21,591 to 21,600, 24,481 to 24,490, 25,121 to 25,130, 25,421 to 25,430, 34,381 to 34,390, 38,641 to 38,650, 39,241 to 39,250, 40,901 to 40,910, 41,301 to 41,310, 43,961 to 43,970, 44,841 to 44,850, 47,151 to 47,160, 50,621 to 50,630, 53,311 to 53,320, 53,331 to 53,340, 54,831 to 54,840, 59,621 to 59,630, 60,081 to 60,090, 64,831 to 64,840, 65,421 to 65,425, 66,611 to 66,615, 67,286 to 67,290, 69,216 to 69,220. Coupon No. 109 on the second mortgage bonds was called for payment on and after Oct. 1 at the office of Lawrence Turnure & Co. Coupons must be numerically arranged and left for examination one clear day prior to payment being made.

**Pitkin County (P. O. Aspen), Colo.—Bond Call.**—Payment will be made at any time within 30 days after Oct. 1 at the County Treasurer's office, of the following 5% refunding bonds: Series "A," Nos. 95, 96, 97 and 100, for \$1,000 each; Series "B," Nos. 140 to 150, inclusive, for \$500 each; and Series "C," Nos. 41 to 46, incl., for \$100, dated May 1 1901, due May 1 1921, optional May 1 1911.



**Bond Proposals and Negotiations this week have been as follows:**

**ALHAMBRA, Los Angeles County, Calif.—BOND SALE.**—On Oct. 2 the \$324,000 22½-year aver. water-system and \$13,000 13½-year aver. sewage-disposal-works 5% bonds—V. 103, p. 1143—were awarded to E. H. Rollins & Sons of San Francisco for \$364,229—108.079—and int. Other bids were:

	Water Bonds.	Sewerage Bonds.
Torrance, Marshall & Co., Los Angeles	\$349,397 00	\$13,537 00
Alhambra Savings Bank	348,000 00	
Blankenhorn-Hunter Co., Los Angeles	347,545 00	
State Board of Control	346,171 00	
Arrarson Gale Co.	345,800 00	13,630 25
Wm. R. Staats Co., Los Angeles	345,536 00	13,628 00
R. H. Moulton & Co., Los Angeles	345,487 50	13,615 00
Elyth, Witter & Co., San Francisco	345,351 00	
Royal Securities Corporation, Los Angeles	336,997 60	13,375 25
Bank of Italy		13,930 50

**ALVA SCHOOL DISTRICT (P. O. Alva), Woods County, Okla.—BOND SALE.**—On Oct. 2 the \$75,000 5% coupon high-school-building and equipment bonds (V. 103, p. 1240) were awarded to C. Edgar Honnold, of Oklahoma City for \$76,927 50, equal to 102.57.

**ANSONIA, Darke County, Ohio.—BOND SALE.**—On Oct. 9 the \$2,000 5% fire-dept. bonds—V. 103, p. 1339—were awarded to the Citizens' Banking Co. of Ansonia at 100.10. Otis & Co. of Cleveland bid 101.75 but preference was given to the local bank. Denom. \$500. Date Sept. 25 1916. Int. M. & S. Due \$500 yearly.

**ASHTABULA, Ashtabula County, Ohio.—BOND OFFERING.**—Proposals will be received until 12 m. Nov. 4 by A. T. Faulkner, City Clerk, for the following 5% street bonds: \$36,000 assess. bonds. Due \$4,000 yearly on Oct. 1 from 1916 to 1921 incl. and \$3,000 yearly on Oct. 1 from 1922 to 1925 incl.

4,500 city's portion bonds. Due \$450 yearly on Oct. 1 from 1917 to 1926 incl.

Date April 1 1916. Int. A. & O. Certified check for 2½% of bonds bid for, payable to A. E. Wilcox, City Treasurer, required. Bonds to be delivered and paid for within 10 days from time of award. Purchaser to pay accrued interest.

**BALDWIN DRAINAGE DISTRICT, Duval County, Fla.—BOND OFFERING.**—Proposals will be received until 12 m. Nov. 15 by J. G. Boyd, Pres. Bd. of Supers. (P. O. Consolidated Building, Jacksonville), for \$300,000 6% drainage bonds. Date probably Nov. 1 1916. Prin. and semi-ann. int., payable at N. Y. or Chicago, at option of purchaser. Due \$30,000 yrly. from 1926 to 1935, incl. The bonds cannot be sold under the law for less than 95.

**BAY VILLAGE, Cuyahoga County, Ohio.—BOND OFFERING.**—Proposals will be received until 12 m. Oct. 17 by A. L. Miller, Village Clerk, for the following coup. 5% Lake road bonds:

\$2,710 village's portion bonds. Due \$2,500 yearly beginning Nov. 1 1917. 45,167 assess. bonds. Due \$4,667 Nov. 1 1917 and \$4,500 yrly. thereafter. Denom. \$500. Date Sept. 1 1916. Int. M. & N. Purchaser to pay accrued interest. Bonded debt, \$82,267; assess. val. \$2,719,750. These bonds were offered but not sold on Aug. 31 as 4¼s.—V. 103, p. 958.

**BEATRICE, Gage County, Neb.—PRICE PAID FOR BONDS.**—The price paid for the \$30,000 5% 5-20-year (opt.) paying bonds awarded on Aug. 22 to the Farmers' Trust Co. of Beatrice (V. 103, p. 1144) was 100.6725 and not 100.6715, as first reported. Denom. \$1,000. Date Sept. 15 1916. Int. M. & S.

**BELMONT, Middlesex County, Mass.—BOND SALE.**—On Oct. 11 the following two issues of 4% bonds, aggregating \$11,000, were awarded to R. M. Grant & Co. of Boston at 101.86:

\$6,000 electric light bonds. Due \$500 yrly. on Sept. 1, from 1917 to 1928 inclusive.

5,000 sewer bonds. Due \$500 yrly. on Sept. 1, from 1917 to 1926 incl. Denom. \$500. Date Sept. 1 1916. Prin. and int. payable at Beacon Tr. Co., Boston. The other bidders were:

W. L. Raymond & Co.	101.71	E. H. Rollins & Sons	101.38
Arthur N. Perry & Co.	101.691	E. C. Potter & Co.	101.34
Cropley, McGaragle & Co.	101.576	Blodgett & Co.	101.33
Merrill, Oldham & Co.	101.56	Curtis & Sanger	101.26
Harry C. Grafton, Jr.	101.44	Adams & Co.	101.04

**BENTON COUNTY (P. O. Fowler), Ind.—BOND SALE.**—On Oct. 10 the \$13,400 4½% 5 1-3 yr. aver. road bonds—V. 103, p. 1340—were awarded to the Meyer-Kiser Bank of Indianapolis for \$13,700, equal to 102.238. Other bids were:

Breed, Elliott & Harrison	\$13,698	R. L. Dollings Co.	\$13,668
J. F. Wild & Co.	13,693	Orange County Bank	13,626
City Nat. Bk., Lafayette	13,685	Ed. O'Gara, Lafayette	13,570
Flet. Amer. Nat. Bank	13,682		

**BEXLEY (P. O. Columbus), Franklin County, Ohio.—BOND ELECTION.**—Propositions providing for the issuance of \$14,000 street and \$10,000 sewer impt. bonds will be submitted to the voters on Nov. 7, it is said.

**BOONE COUNTY (P. O. Madison), W. Va.—BONDS DEFEATED.**—The election held Sept. 29 resulted in the defeat of the propositions to issue \$450,000 road and \$50,000 court-house bonds. The vote was 148 "for" and 920 "against."

**BREVAARD COUNTY SPECIAL TAX SCHOOL DISTRICT NO. 1, Fla.—BIDS REJECTED.**—All bids received for the \$34,000 6% 25-year coupon tax-free school bonds offered on Oct. 9—V. 103, p. 1240—were rejected.

**BRILLIANT SCHOOL DISTRICT (P. O. Brilliant), Jefferson County, Ohio.—BOND SALE.**—On Oct. 10 the \$5,000 5% 10 yr. school bonds—V. 103, p. 1240—were awarded to Davies-Bertram Co. of Cincinnati at 103.40, a basis of about 4.54%. Other bidders were:

Hayden, Miller & Co.	\$5,155 00	Stacy & Braun	\$5,117 00
Breed, Elliott & Harrison	5,152 50	Otis & Co.	5,100 00
F. C. Hoehner	5,145 50	W. L. Slayton & Co.	5,063 50
Durfee, Niles & Co.	5,127 00		

Denom. \$500. Date Oct. 10 1916. Int. A. & O. Due Oct. 10 1926.

**BROWN COUNTY (P. O. Nashville), Ind.—BOND SALE.**—Bids for the three issues of 4½% road bonds aggregating \$18,080 offered on Oct. 2 were as follows—V. 103, p. 1056:

	Premiums Offered		
	\$9.060	\$5.520	\$3.500
	Road.	Road.	Road.
Fletcher American National Bank	*169 00	*96 50	55 75
J. F. Wild & Company	161 25	95 25	*58 00
Breed, Elliott & Harrison	150 00	88 00	52 50
Meyer-Kiser Bank	146 75	90 25	57 25
R. L. Dollings Company	100 60	57 50	38 50

\* These bids were accepted.

**CAIRO, Grady County, Ga.—BOND ELECTION.**—Reports state that an election will be held Oct. 31 to vote on the question of issuing \$28,000 sewerage-system-impt. bonds at not exceeding 5% interest.

**CALEDONIA SCHOOL DISTRICT (P. O. Caledonia), Marion County, Ohio.—BOND SALE.**—On Sept. 30 the \$15,000 5% school bonds—V. 103, p. 1144—were awarded, reports state, to Otis & Co. of Cleveland for \$15,460, equal to 103.066.

**CALHOUN COUNTY (P. O. Marshall), Mich.—BOND ELECTION.**—A bond proposition of \$800,000 for road improvements will be submitted to the voters on Nov. 7, it is said.

**CALCASIEU PARISH (P. O. Lake Charles), La.—BOND SALE.**—On Oct. 3 the \$900,000 5% coupon road construction bonds (V. 103, p. 1240), were awarded to Field, Richards & Co., and the Provident Sav. Bank & Trust Co. of Cincinnati at 103.18 and int. Purchasers to furnish blank bonds.

Bolger, Mosser & Willaman, Chicago	\$928,500 00
Mississippi Valley Trust Co., St. Louis; R. M. Grant & Co., Chicago; Yard, Otis & Taylor, St. Louis	927,092 00
Whitney-Central National Bank, New Orleans	925,299 00
Powell, Garard & Co., Chicago	925,207 00
Devitt, Tremble & Co., Chicago; J. C. Mayer & Co., Cincinnati; C. W. McNear & Co., Chicago	923,040 00

Chicago Savings Bank & Trust Co., Chicago	921,781 07
Mercantile Trust Co., St. Louis; John Nuveen & Co., Chicago; Cummings & Prudden, Toledo; Seasongood & Mayer, Cincinnati	920,750 00
Hibernia Bank & Trust Co., New Orleans; Wm. R. Compton Co., St. Louis; Stacy & Braun, Toledo	920,520 00
Sidney Spitzer & Co., Toledo	919,125 00
Interstate Trust & Banking Co. New Orleans	915,750 00
Farson Son & Co., New York	915,500 00
Continental & Commercial Tr. & Savings Bank, Chicago	914,445 00
Rudolph Kleybolte Co., Cincinnati	912,600 00
Spitzer, Rorick & Co.	909,750 00

**CANBY, Clackamas County, Ore.—BOND OFFERING.**—Proposals will be received until 6 p. m. Oct. 16 by P. L. Hammond, City Recorder, for the \$6,500 10-20-yr. (opt.) coupon water-works-plant purchase bonds authorized by vote of 107 to 99 at the election held Sept. 23. Int. rate not to exceed 6%. Denom. \$500. Prin. and semi-ann. int. payable at the First Nat. Bank of Canby, or at a place designated by the purchaser. Cert. check for 5% of amount of bid, payable to the City Treas., required. Bonded debt, including this issue \$24,500. No sinking fund. Assess. val., equalized 1915, \$324,383 18.

**CARMI TOWNSHIP (P. O. Carmi), White County, Ills.—BONDS DEFEATED.**—The proposition providing for the issuance of the \$5,000 road bonds was defeated by the voters at the election Sept. 25, by a vote of 215 "for" to 360 "against," it is reported.—V. 103, p. 1144.

**CARROLL COUNTY (P. O. Huntingdon), Tenn.—BOND ELECTION.**—The proposition to issue \$200,000 road bonds will be submitted to a vote, it is stated, on Dec. 12.

**CHARLESTON INDEPENDENT SCHOOL DISTRICT (P. O. Charleston), Kanawha County, W. Va.—BOND OFFERING.**—Proposals will be received until 8 p. m. Oct. 24 by W. O. Daum, Secy. Bd. of Ed., for the \$150,000 4½% 25-34-yr. (opt.) coupon building and equip. bonds authorized by a vote of 400 to 8 at an election held Sept. 30. Denom. \$1,000. Date Nov. 1 1916. Principal and semi-annual int. (M. & N.) payable at the County Sheriff's office. Bonds to be delivered and paid for within 10 days from date of sale. Cert. check for \$1,500, payable to the Bd. of Ed., required. Purchaser to pay accrued int. Bonded debt, including this issue, \$826,200. Sinking fund, \$174,000. Assess. val., \$36,304,971.

**CHOUTEAU COUNTY SCHOOL DISTRICT NO. 19 (P. O. Lytle), Mont.—BONDS NOT SOLD.**—The \$1,000 6% 10-20-year (opt.) school-building and furnishing bonds offered on Sept. 28 were not sold. Denom. \$100. Mrs. Albertina Fait is District Clerk.

**CHRISTY TOWNSHIP, Lawrence County, Ills.—BONDS OFFERED BY BANKERS.**—Of an issue of \$23,300 5% road bonds, dated July 1 1916, \$6,500 is being offered to investors by the Hanchett Bond Co. of Chicago. Denom. \$500. Prin. and ann. int. (July 1) payable at First Nat. Bank, Chicago. Due \$2,500 July 1 1919 and \$2,000 on July 1 1920 and 1921. Total bonded debt, this issue \$23,300, assess. val. \$533,199, est. val. \$1,500,000.

**CLAY COUNTY (P. O. Brazil), Ind.—BOND SALE.**—The following bids were received for the two issues of 4½% 6½-year aver. road bonds, aggregating \$28,800, offered on Sept. 30—V. 103, p. 1144:

	\$15,400 Road.	\$13,400 Road.
J. F. Wild & Co.	\$15,710 10	\$13,671 50
Brazil Trust Co.	15,695 00	13,655 00
Meyer-Kiser Bank	15,663 25	13,630 25
Breed, Elliott & Harrison	15,659 00	13,625 00

All bids also provided for payment of accrued interest.

**CLEVELAND SCHOOL DISTRICT (P. O. Cleveland), Ohio.—BOND ELECTION.**—An election has been called for Nov. 7 to decide whether or not \$2,000,000 school bonds shall be issued, it is said.

**CLINTON COUNTY (P. O. Frankfort), Ind.—BOND OFFERING.**—Proposals will be received until 10 a. m. Oct. 18 by Earl McDonald, Co. Treas., for \$5,520, \$4,480, \$3,440 and \$4,320 4½% highway impt. bonds, it is stated.

**COCHISE COUNTY SCHOOL DISTRICT NO. 2, Ariz.—BOND SALE.**—On Oct. 2 the \$75,000 gold site-purchase, building and equipment bonds offered as 5½s (V. 103, p. 774) were awarded to Field, Richards & Co. of Cincinnati for \$77,560 (103.413) for 5s. Other bids were as follows:

Premium.		Premium.	
Internat'l Tr. Co., Denver	\$2,607 00	Wm. R. Compton Co., St. L.	\$2,681 25
John Nuveen & Co., Chic.	2,257 50	Bolger, Mosser & Willaman	3,760 00
Stacy & Braun, Cincinnati	3,420 00	Spitzer, Rorick & Co., Tol.	2,390 00
Bank of Elsbree and Miners		Cummings, Prudden & Co.	3,428 00
& Merch. Bank, Elsbree	1,611 10	do do (for 5s)	578 00
W. L. Slayton, Toledo	1,702 50	E. H. Rollins & Sons, Denv	2,377 50
Keane, Higbie & Co., Det.	1,937 00	do do (for 5s)	127 50
do do (for 5s)	7 00	R. M. Grant & Co., Chic.	3,310 00
Security Savings Bank &		do do (for 5s)	600 00
Trust Co., Toledo	3,382 50	Weil, Roth & Co., Cincin.	2,857 50

**COCKE COUNTY (P. O. Newport), Tenn.—BOND SALE.**—On Sept. 30 the \$30,000 5% 17-yr. (aver.) school bonds (V. 103, p. 1057), were awarded, it is stated, to Cummings, Prudden & Co. of Toledo at 103.58.

**COFFEY COUNTY (P. O. Manchester), Tenn.—BOND ELECTION.**—Reports state that an election will be held Nov. 10 to vote on the proposition to issue \$250,000 road bonds.

**COLUMBUS, Ohio.—BOND SALES.**—The Sinking Fund has purchased the following issues of 4½% bonds at par:

Ten Issues, Aggregating \$199,000, Purchased during July.

Amount.	Purpose.	Date.	Due.	Option.
\$50,000	Public impt. city's port'n	Mar. 1 1915	Mar. 1 1935	
48,000	Public impt. city's port'n	Mar. 1 1915	Sept. 1 1926	
25,000	Water extension	Mar. 1 1916	Mar. 1 1946	
10,000	Light extension	Apr. 1 1916	Sept. 1 1936	
20,000	Shiller Park	Apr. 1 1915	Sept. 1 1935	
12,000	Kossuth St. improvement	Oct. 25 1915	Mar. 1 1927	
4,000	Hegl Ave. improvement	Oct. 25 1915	Mar. 1 1927	Mar. 1 1917
3,000	Jackson St. improvement	Apr. 29 1916	Mar. 1 1927	Mar. 1 1917
25,000	Dennison Ave. improv't	Apr. 29 1916	Mar. 1 1927	
2,000	Sidney Ave. improvement	Jan. 29 1916	Mar. 1 1927	Mar. 1 1917

Sixteen Issues, Aggregating \$176,000, Purchased during August.

\$40,000	Sanitary & garbage collec.	May 29 1916	Sept. 1 1918	
20,000	Water-Works	June 15 1916	Sept. 1 1936	
25,000	Sewage-disposal improv't	Apr. 1 1915	Sept. 1 1935	
25,000	Storm sewer	Mar. 15 1915	Sept. 1 1945	
10,000	Maryland Ave. sewer	Apr. 15 1915	Sept. 1 1945	
20,000	Fire hydrants	Aug. 15 1916	Sept. 1 1926	
25,000	Street improvement	Feb. 10 1916	Sept. 1 1918	
11,000	Borham Ave. improv't	Aug. 15 1916	Sept. 1 1927	
2,000	East Market St. improv't	Aug. 15 1916	Sept. 1 1927	Sept. 1 1917
3,000	Norberry St. improv'm't	Aug. 15 1916	Sept. 1 1927	Sept. 1 1917
2,000	Oscar St. improvement	Aug. 15 1916	Sept. 1 1927	Sept. 1 1917
3,500	Street-improvement	Aug. 15 1916	Sept. 1 1927	Sept. 1 1917
2,000	Franklin St. improv'm't	Aug. 15 1916	Sept. 1 1927	Sept. 1 1917
4,000	Sunside Ave. improv'm't	Aug. 15 1916	Sept. 1 1927	Sept. 1 1917
5,000	Worthington Ave. impt.	Aug. 15 1916	Sept. 1 1927	Sept. 1 1917
2,000	Sewer-improvement	May 29 1916	Sept. 1 1922	Sept. 1 1917

Nineteen Issues, Aggregating \$190,000, Purchased during September.

\$10,000	Street-repair	June 15 1916	Sept. 1 1926	
15,000	Shiller Park	Apr. 1 1915	Sept. 1 1935	
2,000	Flood pump	Sept. 1 1916	Sept. 1 1918	Sept. 1 1917
1,500	Shiller Park Lake impt.	Aug. 30 1916	Sept. 1 1926	
10,000	Franklin sewer	Dec. 20 1915	Mar. 1 1946	
10,000	Third Ave. relief sewer	Apr. 15 1915	Sept. 1 1945	
20,000	Sewage-disposal improv't	Apr. 1 1915	Sept. 1 1935	
20,000	Public impt., city's port'n	Dec. 1 1915	Sept. 1 1936	
23,000	Street improvement	Mar. 1 1915	Mar. 1 1926	
9,000	Willer Ave. improvement	Aug. 15 1916	Sept. 1 1927	Sept. 1 1917
5,000	Park Ave. improvement	Aug. 15 1916	Sept. 1 1927	Sept. 1 1917
10,000	Clara St. improvement	Aug. 15 1916	Sept. 1 1927	
6,000	Oakley Ave. improv'm't	Aug. 15 1916	Sept. 1 1927	Sept. 1 1917
3,000	Riga Alley	Aug. 15 1916	Sept. 1 1927	Sept. 1 1917
3,000	Schiller St. Dept.	Aug. 15 1916	Sept. 1 1927	Sept. 1 1917
20,000	Long St. improvement	Sept. 1 1916	Sept. 1 1927	
15,000	Main St. improvement	Sept. 1 1916	Sept. 1 1927	
1,500	Sewer improvement	Aug. 15 1916	Sept. 1 1922	Sept. 1 1917
6,000	Main St. improvement	Mar. 1 1916	Mar. 1 1927	Mar. 1 1917



**COFFEYVILLE, Montgomery County, Kan.—DESCRIPTION OF BONDS.**—The \$20,000 5% electric-light-plant ext. bonds awarded at par in February to the City Sinking Fund (V. 102, p. 173), are in the denom. of \$1,000 and dated April 1 1916. Int. A. & O. Due \$4,000 yrly. from 1917 to 1921, inclusive.

**COLORADO SPRINGS, El Paso County, Colo.—BONDS AWARDED IN PART.**—Up to Oct. 9, \$17,000 of an issue of \$165,000 4% 20-30-yr. (opt.) refunding water bonds had been disposed of at par to local investors. Denom. (100) \$1,000, (100) \$500, (15) \$100. Date July 1 1916. Int. J. & J.

**COLUMBIANA COUNTY (P. O. Lisbon), Ohio.—BOND SALE.**—This county offered for sale on July 10 fifteen issues of 5% road bonds, aggregating \$383,700. Eleven bids were received and the bonds were sold at a total premium of \$11,759.42 to various bidders.

**COLUMBUS, Ohio.—BOND ELECTION.**—The voters will decide at the general election to be held Nov. 7, whether or not \$3,500,000 public-property and public way improvement bonds shall be issued.

**COLUMBUS HIGH SCHOOL DISTRICT (P. O. Columbus), Polk County, No. Caro.—BOND SALE.**—Sidney Spitzer & Co. of Toledo have purchased \$5,000 6% high-school-building bonds at 101. An issue of \$8,000 bonds was offered on Feb. 21 (V. 102, p. 726).

**COMANCHE COUNTY (P. O. Lawton), Okla.—BOND ELECTION PROPOSED.**—Local papers state that the County Commissioners will be petitioned to call an election to vote on the proposition to issue \$250,000 road-improvement bonds.

**CORNERSVILLE, Marshall County, Tenn.—BONDS NOT SOLD.**—No sale was made of the \$6,000 5% coupon 10-20-year (optional) sidewalk bonds offered on Sept. 23. Denom. \$300. Date Sept. 1 1916. Int. M. & S. at Farmers Bank of Cornersville. Bonded debt, this issue. Assess. val. 1916, \$111,906. Real value (est.), \$225,000. Total tax rate (per \$1,000), .22.

**CORNING, Adams County, Iowa.—BOND SALE.**—On Oct. 2 the \$30,000 5% 20-yr. reservoir construction bonds were awarded, it is stated, to George M. Bechtel & Co. of Davenport for \$31,801, equal to 106.003.

**CROWLEY-FOURTH WARD DRAINAGE DISTRICT NO. 1 (P. O. Crowley), Acadia Parish, La.—DESCRIPTION OF BONDS.**—The \$30,000 5% drainage-system-impt. bonds awarded at par on June 22 to Powell, Garard & Co. of Chicago (V. 103, p. 79), are in the denomination of \$500, and dated July 1 1916. Int. J. & J. Due serially from 1916 to 1940, inclusive.

**CUMBERLAND, Alleghany County, Md.—VOTE.**—The official vote cast at the election Oct. 5 which resulted in favor of the issuance of the \$500,000 4½% 40-year general-impt. bonds was 3,281 to 153. See V. 103, p. 1340. Denom. \$1,000. Date Dec. 1 1916. Int. semi-ann. A. W. Staub is City Clerk.

**DAYTON, Campbell County, Ky.—BOND OFFERING.**—Proposals will be received until 8 p. m. Nov. 6 by Will C. Martin, City Clerk, for \$1,879.20 Brooklyn Ave. impt. and \$408.95 Dayton Ave. impt. 6% bonds. Int. semi-ann. Due one bond of each issue yrly. for 10 yrs., subject to call.

**DAYTON, Ohio.—BOND OFFERING.**—Proposals will be received until 12 m. Oct. 31 by Hugh E. Wall, City Accountant, for the following coupon bonds:

\$20,000 water-works bonds. Denom. \$1,000. Due Oct. 1 1921.

50,000 water-works bonds. Denom. \$1,000. Due Oct. 1 1936.

The above issues are dated Oct. 1 1916 and bear 4½% int., the following

issues are 5% bonds and are all dated Aug. 1 1916, and are issued for street paving purposes:

\$14,700 bonds. Denom. 14 for \$1,000, 1 for \$700. Due \$1,000 Aug. 1

1917, 1918, 1919, 1920 and 1921, \$2,000 Aug. 1 1922, 1923, 1924

and 1925, and \$1,700 Aug. 1 1926.

66,000 bonds. Denom. \$1,000. Due yrly. on Aug. 1, \$6,000 1917 to

1920 incl. and \$7,000 1921 to 1926 inclusive. Due \$1,000 yrly. on

Aug. 1 from 1917 to 1925 incl. and \$1,600, 1926.

11,100 bonds. Denom. 10 for \$1,000, 1 for \$1,100. Due \$1,000 yrly. on

Aug. 1, from 1917 to 1925 incl. and \$1,100 Aug. 1 1926.

25,800 bonds. Denom. 25 for \$1,000, 1 for \$800. Due \$2,000 Aug. 1

1917 to 1921 incl., \$3,000 1922 to 1925 incl. and \$3,800 Aug. 1 1926.

8,300 bonds. Denom. 7 for \$1,000, 1 for \$1,300. Due \$1,000 Aug. 1

1 from 1919 to 1925 incl. and \$1,300 Aug. 1 1926.

5,500 bonds. Denom. 5 for \$1,000, 1 for \$500. Due \$500 Aug. 1 1917

and \$1,000 Aug. 1 1919, 1921, 1923, 1925 and 1926.

10,400 bonds. Denom. 9 for \$1,000, 1 for \$1,400. Due \$1,000 Aug. 1

1919 to 1925 incl. and \$1,400 Aug. 1 1926.

6,100 bonds. Denom. 5 for \$1,000, 1 for \$1,100. Due \$1,000 Aug. 1

1918, 1920, 1922, 1924, 1925 and \$1,100 Aug. 1 1926.

19,200 bonds. Denom. 18 for \$1,000, 1 for \$1,200. Due \$1,200 Aug. 1

1917, \$2,000 yrly. Aug. 1, from 1918 to 1926 inclusive.

36,600 bonds. Denom. 36 for \$1,000, 1 for \$600. Due \$3,000 Aug. 1

1917, 1918 and 1919, \$3,600 Aug. 1 1920, and \$4,000 1921 to

1926 incl.

10,500 bonds. Denom. 9 for \$1,000, 1 for \$1,500. Due \$1,000 yrly. on

Aug. 1 from 1917 to 1925 incl. and \$1,500 Aug. 1 1926.

Prin. and semi-ann. int. payable in New York City. A Cert. check on a

national bank for 5% of bonds bid for, payable to the above City Accountant

is required. Bonds to be delivered on Nov. 6. The approving opinion of

Squire, Sanders & Dempsey of Cleveland will be furnished purchaser.

Hugh E. Wall, Sec. of the Bd. of Sinking Fund Trustees will receive bids

until 12 m. Oct. 31, for the following coupon bonds:

\$25,000 4% sewer refunding bonds. Denom. \$1,000. Date June 1 1915.

Due June 1 1925.

32,500 4½% street intersection bonds. Denom. 1 for \$500, 32 for \$1,-

000. Due June 1 1928.

43,000 4½% park and playground bonds. Denom. \$1,000. Date Oct.

1 1916. Due Oct. 1 1936.

Int. semi-ann. Cert. check on a national bank for \$5,025, payable to

the City Accountant required. These bonds will also be delivered on Nov.

6 and purchaser will be given an opinion of the above Attorneys.

The bonds offered by the Sinking Fund Trustees are not new issues but

securities which were held by them as investments.

The following financial statement dated Oct. 1 1916, is furnished in

connection with the above city offering:

Total gen. bonds outstanding (excl. issues offered herewith) \$6,889,280

Less bonds issued prior to April 29 1902 \$885,000

Less bonds issued by vote of people 1,386,000

Less flood emergency bonds March & April 1913 1,203,000

Less Water Works bonds which are paid from earnings

of water works 623,000

Total of exemptions 4,097,000

Less sinking fund 2,792,280

Net Longworth Act indebtedness 423,645

Water works bonds included in total general bonds outstanding 2,368,635

Special assess. bonds outstanding 1,429,500

Assessed valuation 1915-1916, \$171,481,890.

Tax rate per \$1,000, 1915-1916, \$13.40.

**DECATUR, Macon County, Ill.—BOND OFFERING.**—Proposals will

be received until 10 a. m. Oct. 23 by Jerome J. Heger, City Clerk, for the

\$42,000 4½% water bonds voted Sept. 9—V. 103, p. 865. Date Oct. 1

1916. Due \$22,000 Oct. 1 1926 and \$2,000 yearly thereafter. The pro-

ceedings of this issue have been approved by Wood & Oakley of Chicago.

**DECATUR COUNTY (P. O. Greensburg), Ind.—BOND SALE.**—On

Oct. 6 the \$14,600 4½% road bonds—V. 103, p. 1144—were awarded

to J. F. Wild & Co. of Indianapolis for \$14,911.11, equal to 102.130.

There were 9 other bidders.

**DEFIANCE, Defiance County, Ohio.—BONDS AUTHORIZED.**—The

City Council passed an ordinance on Sept. 19 providing for the issuance

of the \$125,000 4½% coup. Defiance Water Plant purchase bonds

**DUBLIN, Laurens County, Ga.—BOND SALE.**—On Oct. 4 the \$30,-

000 5% 30-yr. Kelley-Guyton filtration-plant-erection bonds (V. 103, p.

1056), were awarded to the Trust Co. of Georgia, Atlanta, at 109.075, a

basis of about 4.45%. Other bids were:

Robinson-Humphrey Bolger, Mosser & Williaman,

Wardlaw Co., Atlanta \$32,459.91 Chicago \$31,500

Security Sav. Bank & Tr. G. Glen Toole, Macon \$31,410

Co., Toledo 32,016.00 Citizens Loan & Guarantee

Security Loan & Realty Co., Dublin 31,380

Co., Dublin 31,821.00 Tillotson & Wolcott Co.,

W. M. Davis Co., Macon \$31,716.00 Cleveland 31,056

First Nat. Bk. Dublin \$31,575.00 Durfee & Knowles Co., Tol. 30,978

Seasongood & Mayer, Cin 31,525.00 J. H. Hilsman & Co., Atlanta 30,150

\* And printing of bonds.

**DUSTIN, Hughes County, Okla.—BONDS OFFERED BY BANKERS.**

—The Hanchett Bond Co. of Chicago is offering to investors \$5,000 6%

20-year water-works bonds. Denom. \$1,000. Date Mar. 3 1916. Prin.

and semi-annual int.—M. & S.—payable at the Okla. State fiscal agency

(Chatham & Phenix Nat. Bank), New York. Total bonded debt, \$30,000.

Cash in sinking fund, \$4,000. Assess. val. 1915, \$374,979; total value,

est., \$750,000.

**ELLIS COUNTY LEVEE DISTRICT NO. 2, Tex.—DESCRIPTION**

**OF BONDS.**—The \$123,000 6% 30-year serial bonds awarded at par and

int. on July 15 to the Commerce Trust Co. of Kansas City—V. 103, p. 601—

are in the denom. of \$1,000 and dated July 10 1916. Int. A. & O.

**ENTERPRISE SCHOOL DISTRICT, Sacramento County, Calif.—**

**BOND SALE.**—During Sept. \$4,500 5½% building bonds were awarded,

to the Sacramento Valley Bank & Trust Co. at 105 and int. Denom. \$500.

Date Sept. 21 1916. Due \$500 yearly for nine years.

**ESTHERVILLE SCHOOL DISTRICT (P. O. Estherville), Emmert**

**County, Iowa.—BOND ELECTION.**—An election will be held Nov. 2 to

vote on the question of issuing \$18,000 playground purchase bonds.

**EXCELSIOR SPRINGS, Clay County, Mo.—BOND SALE.**—On

Sept. 28 the \$20,000 10-20-year (opt.) park-impt. bonds (V. 103, p. 1145)

were awarded to the Mercantile Trust Co. of St. Louis at 100.61 for 4½s.

Denom. \$1,000. Date Oct. 1 1916. Int. annual.

**FAUCETT TOWNSHIP (P. O. Enfield), Halifax County, No. Caro.**

**—BONDS OFFERED BY BANKERS.**—The Hanchett Bond Co. of Chicago

is offering to investors \$25,000 6% road-construction bonds. Denom.

\$1,000. Date July 1 1916. Prin. and semi-annual int.—J. & J.—payable

at the National City Bank, N. Y., or the County Treasurer's office, Halifax.

Due \$1,000 yearly July 1 from 1922 to 1946 incl. Bonded debt, this issue,

\$25,000. Assessed val., 1915, \$486,614; total value, est., \$900,000.

**FLOYD COUNTY (P. O. New Albany), Ind.—BOND SALE.**—On

Sept. 29 the \$15,800 4½% road bonds—V. 103, p. 1145—were awarded,

reports state, to the Mutual Tr. & Dep. Co. of New Albany for \$16,206,

equal to 102.569

**FORDYCE SPECIAL SCHOOL DISTRICT (P. O. Fordyce), Dallas**

**County, Ark.—BONDS OFFERED BY BANKERS.**—The Hanchett Bond

Co. of Chicago is offering to investors \$17,500 6% high-school-bldg. bonds.

Denom. \$500. Date July 1 1916. Prin. and semi-annual int.—J. & J.—

payable at the St. Louis Union Trust Co., St. Louis. Due \$3,500 yearly

July 1 from 1932 to 1936 incl. Total bonded debt, \$48,500. Assessed val.,

\$1,122,000; total value, est., \$2,500,000.

**FOXBOROUGH WATER SUPPLY DISTRICT (P. O. Foxborough),**

**Norfolk County, Mass.—BOND SALE.**—On Oct. 9 the \$11,000 4% 6½-

year aver. coup. tax-free water bonds—V. 103, p. 1341—were awarded

to Cropley, McGaragle & Co. of Boston at 102.037.

Other bids were:

R. L. Day & Co. 101.58 Arthur Perry & Co. 101.033

Blodget & Co. 101.55 Winchenden Savings Bank 100.95

Adams & Co. 101.14

**FREEMONT, Harrison County, Ohio.—BOND OFFERING.**—Bids

will be received until 6 p. m. Nov. 6 by Chas. Linard, Vil. Clerk, for the

following 5% coupon bonds:

\$1,050 water bonds. Denom. 2 for \$250, 2 for \$275. Due \$525 in 7 and

8 years.

350 refunding bonds. Due in 9 years.

400 sidewalk impt. bonds. Denom. \$200. Due \$200 in 5 and 6 years.

Date Nov. 15 1916. Int. semi-annual at clerk's office. No deposit

required.

Bonded debt Oct. 9 1916 excl. these bonds, \$2,850. Floating debt,

\$1,800. Sinking fund, \$971. Assess. val. 1915, \$567,000.

**FREESTONE COUNTY (P. O. Fairfield), Tex.—BONDS VOTED.**—

The propositions to issue \$20,000 Road Dist. No. 3 and \$7,000 Road Dist.

No. 4 5% 10-40-yr. (opt.) road-construction bonds carried at a recent elec-

tion. G. W. Tryer is County Judge.

**GALION SCHOOL DISTRICT (P. O. Galion), Crawford County,**

**Ohio.—BOND OFFERING.**—Bids will be received until 12 m. Oct. 21 by

C. C. Coyle, Clerk Bd. of Ed., for \$2,622.57 5% refunding bonds. Auth.

Sec. 5656, Gen. Code. Denom. 4 for \$500, 1 for \$622.57. Date Sept. 30

1916. Int. M. & S. at office of Bd. of Ed. Due \$500 Mar. 30 and Sept. 30

1919 and 1920 and \$622.57 Mar. 30 1921. Cert. check for 1% of bonds

bid for, payable to the Bd. of Ed., required. Purchaser to pay accrued int.

**BOND ELECTION.**—An election will be held Nov. 11 to vote on the

question of issuing \$175,000 school bonds.

**GALVA, Henry County, Ill.—BOND SALE.**—On Oct. 3 the \$12,000

5% fire-station and city-hall bonds—V. 103, p. 1145—were awarded to

Geo. M. Bechtel & Co. of Davenport at 102.80 and int. Among the other

bidders were:

J. N. Casady \$12,400.00 Kissel, Kinnicutt & Co. \$12,276.00

Elston, Clifford & Co. 12,335.50 Mercantile Trust Co. 12,273.36

H. T. Holtz & Co. 12,326.00 Halsey, Stuart & Co. 12,256.00

Cumings, Prudden & Co. 12,278.00

\*This bid appears to be higher than that of the purchasers but is so re-

ported to us by the City Clerk.

**GREENE COUNTY (P. O. Leakesville), Miss.—BOND SALE.**—On

Oct. 1 the \$10,000 6% 4-year (aver.) court-house and bridge bonds (V. 103,

p.



**HUNTINGTON COUNTY (P. O. Huntington), Ind.—BOND SALE.**—On Oct. 6 the two issues of 4½% 5 1-3-year aver. road bonds, aggregating \$28,000—V. 103, p. 1242—were awarded, it is said, to J. F. Wild & Co. of Indianapolis for \$28,597, equal to 102.060.

**IOLA SCHOOL DISTRICT (P. O. Iola), Allen County, Kans.—BOND SALE.**—The \$100,000 4½% 1-5-year serial school bonds offered on Aug. 1 (V. 103, p. 431), were awarded to the Fidelity Trust Co. of Kansas City, Mo., at par. Denom. \$1,000. Date July 1 1916. Int. J. & J.

**IOWA CITY INDEPENDENT SCHOOL DISTRICT (P. O. Iowa City), Johnson County, Iowa.—BOND SALE.**—On Oct. 2 the \$127,000 4½% 10 2-3-year aver. and \$73,000 4% 18-year aver. school bonds—V. 103, p. 1242—were awarded, it is stated, to Geo. M. Bechtel & Co. of Davenport for \$202,091, equal to 101.045.

**JAY COUNTY (P. O. Portland), Ind.—BOND SALE.**—On Oct. 2 the two issues of 4½% 6 1-3-yr. aver. road bonds, aggregating \$23,840—V. 103, p. 1145—were awarded to J. F. Wild & Co. of Indianapolis for \$24,310 20, equal to 101.972, it is stated.

**BOND OFFERING.**—S. W. Kuder, Co. Treas., will receive bids until 10 a. m. Oct. 16, for an issue of \$20,000 4½% 6 1-3 yr. aver. A. C. A. ex-ander et al. road bonds in Wayne Twp. Denom. \$1,000. Date Oct. 16 1916. Int. M. & N. Due \$1,000 each six months from May 15 1918 to Nov. 15 1927 inc usive.

**JEFFERSON VILLAGE SCHOOL DISTRICT (P. O. West Jefferson), Madison County, Ohio.—BOND OFFERING.**—Bids will be received by W. H. Headley, Clerk of Board of Education, for \$5,500 5% 6 1-3 year aver. refunding bonds, auth. Secs. 5656 and 5658, Gen. Code. Denom. \$500. Date Nov. 1 1916. Int. M. & S. Due \$500 yearly on Mar. 1 from 1918 to 1928 incl. Cert. check for 5% of bonds bid for, payable to the above Clerk required. Bonds to be delivered and paid for within 15 days from time of award. Purchaser to pay accrued interest.

**JENNINGS COUNTY (P. O. Vernon), Ind.—BOND OFFERING.**—James P. Tolen, Co. Treas., will receive bids until 11 a. m. Oct. 18 for \$7,660 4½% 5 1-3 year aver. Geo. F. Huber et al. road bonds in Vernon Twp. Denom. \$383. Date Oct. 15 1916. Int. M. & N. Due \$383 each six months from May 15 1917 to Nov. 15 1926 inclusive.

**KANSAS.—BONDS PURCHASED BY STATE.**—During the months of July and August the following bonds were purchased at par by the State of Kansas.

Forty-six issues, aggregating \$99,415, purchased in July.

Place Issuing Bonds.	Amount of Bonds.	Purpose.	Date of Bonds.	Due.
Anderson Co. S. D. No. 18.	\$1,500 Bldg.		June 27 1916	July 1 '17-'22
Anderson Co. S. D. No. 52.	1,500 Bldg.		July 1 1916	Jan. 1 '17-'21
Brown Co. S. D. No. 7.	3,000 Bldg.		July 1 1916	July 1 '17-'24
Butler Co. S. D. No. 34.	1,700 Bldg.		July 1 1916	July 1 '17-'21
Butler Co. S. D. No. 115.	1,500 Bldg.		July 1 1916	Jan. 1 '17-'21
Chase Co. S. D. No. 7.	3,000 Bldg.		June 15 1916	July 1 '17-'21
Cloud Co. S. D. No. 67.	1,500 Bldg.		July 1 1916	July 1 '17-'22
Comanche Co. S. D. No. 42.	1,500 Bldg.		July 1 1916	July 1 '18-'26
Cowley Co. S. D. No. 16.	2,000 Bldg.		July 1 1916	July 1 '17-'20
Crawford Co. S. D. No. 73.	1,600 Bldg.		June 15 1916	Jan. 1 '17-'24
Franklin Co. S. D. No. 99.	1,500 Bldg.		July 1 1916	Jan. 1 '18-'22
Garnett, Board of Education.	1,000 Ht. pl't.		July 1 1916	July 1 1917
Ford Co. S. D. No. 42.	1,800 Bldg.		July 1 1916	July 1 '17-'20
Graham Co. S. D. No. 64.	1,800 Bldg.		July 1 1916	July 1 '17-'22
Holton.	10,400 Pav'g		Jan. 1 1916	Jan. 1 '17-'36
Jackson Co. S. D. No. 13.	2,500 Bldg.		July 1 1916	July 1 '17-'26
Jewell Co. S. D. No. 92.	1,200 Bldg.		July 1 1916	July 1 '17-'28
Jewell Co. S. D. No. 127.	2,000 Bldg.		July 1 1916	July 1 '17-'21
Johnson Co. S. D. No. 40.	2,750 Bldg.		July 1 1916	Jan. 1 '17-'19
Leavenworth Co. S. D. No. 20.	1,500 Bldg.		July 1 1916	July 1 '17-'21
Leavenworth Co. S. D. No. 56.	1,200 Bldg.		July 1 1916	July 1 '18-'20
Lyon Co. S. D. No. 5.	1,300 Bldg.		July 1 1916	July 1 '17-'22
Montgomery Co. S. D. No. 46.	5,000 Bldg.		July 1 1916	Jan. 1 '17-'26
Ness Co. S. D. No. 4.	1,400 Bldg.		July 1 1916	July 1 '19-'25
Ness Co. S. D. No. 73.	1,600 Bldg.		July 1 1916	July 1 '17-'21
Ness and Hodgeman Counties				
Joint S. D. No. 1.	1,900 Bldg.		July 1 1916	July 1 '17-'29
Osage Co. S. D. No. 18.	2,000 Bldg.		July 1 1916	July 1 '17-'26
Osage Co. S. D. No. 77.	965 Bldg.		July 1 1916	July 1 '17-'25
Osborne Co. S. D. No. 96.	1,800 Bldg.		June 30 1916	July 1 '17-'25
Reno Co. S. D. No. 13.	3,000 Bldg.		July 1 1916	Jan. 1 '17-'26
Republic Co. S. D. No. 41.	1,700 Bldg.		July 5 1916	Jan. 1 '17-'22
Rooks Co. S. D. No. 50.	2,000 Bldg.		June 10 1916	July 1 '17-'26
Rooks Co. S. D. No. 63.	1,100 Bldg.		July 1 1916	July 1 '18-'21
Saline Co. Consol. S. D. No. 1.	4,000 Bldg.		June 1 1916	July 1 '18-'25
Stafford Co. S. D. No. 35.	2,500 Bldg.		July 1 1916	Jan. 1 '17-'23
Sumner Co. S. D. No. 165.	1,000 Bldg.		June 17 1916	July 1 '17-'26
Trego Co. S. D. No. 14.	1,500 Bldg.		June 14 1916	Jan. 1 '17-'26
Trego Co. S. D. No. 23.	1,400 Bldg.		June 1 1916	Jan. 1 '17-'21
Trego Co. S. D. No. 39.	1,200 Bldg.		June 1 1916	July 1 '17-'22
Washington Co. S. D. No. 124.	2,000 Bldg.		June 29 1916	July 1 '17-'26
Wichita Co. S. D. No. 33.	2,500 Bldg.		July 1 1916	July 1 '17-'21
Wilson Co. S. D. No. 21.	2,000 Bldg.		July 1 1916	Jan. 1 '18-'21
Wilson Co. S. D. No. 50.	1,600 Bldg.		July 1 1916	July 1 '18-'25
Wilson Co. S. D. No. 65.	1,000 Bldg.		July 1 1916	July 1 '17-'21
Wilson Co. S. D. No. 91.	2,500 Bldg.		July 1 1916	July 1 '17-'26
Wyandotte Co. S. D. No. 13.	6,000 Bldg.		July 1 1916	Jan. 1 '17-'31

Thirty-seven issues, aggregating \$95,286, purchased in August.

Brown Co. S. D. No. 84.	1,000 Bldg.	July 1 1916	July 1 '17-'21
Brown Co. S. D. No. 7.	4,000 Bldg.	July 1 1916	July 1 '17-'21
Butler Co. S. D. No. 50.	2,000 Bldg.	July 1 1916	Jan. 1 '18-'20
Cherryvale.	11,927 Bldg.	July 17 1916	July 17 '17-'21
Comanche Co. S. D. No. 25.	1,200 Bldg.	July 1 1916	July 1 '17-'26
Dickinson Co. S. D. No. 68.	1,400 Bldg.	July 1 1916	July 1 '17-'19
Dickinson Co. S. D. No. 98.	2,000 Bldg.	Aug. 1 1916	Jan. 1 '18-'19
Ellsworth Co. S. D. No. 23.	8,000 Bldg.	July 1 1916	Jan. 1 '17-'26
Doniphan Co. S. D. No. 8.	8,000 Bldg.	July 17 1916	Jan. 1 '18-'25
Fredonia, Board of Education	1,000 Ht. pl't	July 1 1916	July 1 1919
Graham & Sheridan Counties			
Joint S. D. No. 1.	2,000 Bldg.	July 8 1916	July 1 '17-'20
Grant Co. S. D. No. 40.	1,000 Bldg.	June 30 1916	July 1 '18-'27
Grove Co. S. D. No. 4.	1,500 Bldg.	Aug. 1 1916	July 1 '20-'28
Johnson Co. S. D. No. 35.	2,200 Bldg.	July 1 1916	Jan. 1 '17-'19
Kiowa Co. S. D. No. 21.	1,500 Bldg.	July 1 1916	Jan. 1 '18-'25
Linn Co. S. D. No. 64.	1,000 Bldg.	July 1 1916	July 1 '17-'26
Lyon Co. S. D. No. 22.	*3,000 Bldg.	July 1 1916	July 1 '17-'26
McPherson Co. S. D. No. 79.	1,000 Bldg.	July 1 1916	July 1 '17-'21
Meade Co. S. D. No. 31.	*1,500 Bldg.	July 1 1916	Jan. 1 '17-'24
Morris Co. S. D. No. 21.	1,500 Bldg.	Aug. 4 1916	Jan. 1 '17-'24
Morton Co. S. D. No. 4.	*1,000 Bldg.	July 1 1916	Jan. 1 '17-'24
Morton Co. S. D. No. 7.	*2,500 Bldg.	July 22 1916	July 1 '17-'21
Ness Co. S. D. No. 5.	1,500 Bldg.	Aug. 1 1916	July 1 '18-'22
Osborne Co. S. D. No. 56.	1,800 Bldg.	July 29 1916	July 1 '17-'25
Osborne Co. S. D. No. 119.	700 Bldg.	July 25 1916	Jan. 1 '17-'23
Paola.	2,709 Bldg.	Apr. 1 1916	Apr. 1 '17-'26
Paola.	1,175 Bldg.	Apr. 1 1916	Apr. 1 '17-'26
Phillips Co. S. D. No. 50.	800 Bldg.	Apr. 1 1916	Jan. 1 '18-'21
Pratt Co. S. D. No. 72.	3,000 Bldg.	July 15 1916	Jan. 1 '17-'26
Sedgewick Co. S. D. No. 120.	2,500 Bldg.	July 1 1916	Jan. 1 '17-'23
Smith Co. S. D. No. 77.	*500 Bldg.	June 28 1916	July 1 1918
Stanton and Grant Counties			
Joint S. D. No. 29.	1,000 Bldg.	July 1 1916	July 1 1921
Stevens Co. S. D. No. 24.	*1,875 Bldg.	July 1 1916	July 1 '20-'31
Stevens Co. S. D. No. 45.	800 Bldg.	July 1 1916	July 1 1931
Trego Co. S. D. No. 34.	1,000 Bldg.	July 22 1916	July 1 '17-'26
Wallace Co. S. D. No. 2.	15,000 Bldg.	July 1 1916	July 1 '17-'31
Wyandotte Co. S. D. No. 35.	700 Bldg.	July 1 1916	July 1 '17-'19

\*These bonds bear 6% interest, all the remaining issues bear 5%.

**KOSSUTH COUNTY (P. O. Algona), Iowa.—BOND SALE.**—This county on Jan. 17 awarded \$34,000 4½% 5 1-3 year aver. road bonds to Geo. M. Bechtel & Co. of Davenport for \$34,457 36, equal to 101.345. Denom. \$1,000. Date Jan. 1 1916. Int. J. & J. Due one-half on Jan. 1 each of the years 1930 and 1931.

**KROTZ SPRINGS SCHOOL DISTRICT NO. 7, St. L. Parish, La.—BOND SALE.**—The \$12,000 5% 7½-year (average) bonds offered on Feb. 21 (V. 102, p. 452), have been granted by Geo. M. Bechtel & Co. of Chicago.

**LACKAWANNA UNION FREE SCHOOL DISTRICT NO. 6 (P. O. Lackawanna), Erie County, N. Y.—BOND OFFERING.**—Additional information is at hand relative to the offering on Oct. 16 of the \$157,826 4½% coup. tax-free school bonds. V. 103, p. 1341. Bids for these bonds will be received until 8 p. m. on that day by John J. Monaghan, Clerk of Bd. of Ed. Denom. \$1,000. Date Nov. 1 1916. Int. M. & N. at Lackawanna Nat. Bank, Lackawanna. Due part yearly on Nov. 1, commencing 1916. Cert. check for 10% payable to above Clerk, required. Bonded debt Sept. 6 1916, excl. this issue, \$81,503; no floating debt. Assess. val. 1916, \$10,035,325.

**LAKE COUNTY (P. O. Crown Point), Ind.—BOND SALE.**—The First Nat. Bank of Crown Point was awarded on Jan. 21 for \$6,601, equal to 101.553, the \$6,500 4½% road bonds offered on Jan. 18. V. 101, p. 2090. Denom. \$325. Date Nov. 1 1915. Int. M. & N.

**LAKE COUNTY (P. O. Crown Point), Ind.—BOND SALE.**—On Sept. 23 the \$5,000 4½% 5 1-3-year average road bonds (V. 103, p. 1058) were awarded to the First National Bank of Crown Point at 101.90 and interest. The Commercial Bank and the Peoples State Bank each of Crown Point, also submitted bids.

**LAKE MILLS, Winnebago County, Iowa.—BOND SALE—OPTION GRANTED.**—On Oct. 2 \$20,000 water-works-impt. bonds were awarded, it is stated, to Geo. M. Bechtel & Co. of Davenport for \$20,309 50—101.547—as 4½s. The agreement is that the bonding company furnish their own attorney to look up the legality of the issue, furnish all blanks, &c., and to take the additional \$5,000 of the amount voted at pro rata in case it is needed to complete the water-extension improvements.

**LANCASTER, Fairfield County, Ohio.—PRICE PAID FOR BONDS.**—The price paid for the \$5,000 5% hospital bonds recently purchased by the Sinking Fund Trustees was par—V. 103, p. 1145. Denom. \$1,000. Date Sept. 1 1916. Int. M. & S. Due Sept. 1 1924, subject to call at any time.

**LEBANON, Warren County, Ohio.—BOND SALE.**—On Oct. 10 the \$20,000 5% 13-year aver. sewage-disposal bonds—V. 103, p. 1146—were awarded to the Rud. Kleybolte Co. of Cincinnati at 106.47, a basis of about 4.34%.

**LEBANON SCHOOL DISTRICT (P. O. Lebanon), Warren County, Ohio.—BOND ELECTION.**—A vote is being taken to-day (Oct. 14) on the question of whether or not this district shall issue \$60,000 bldg. bonds.

**LEE COUNTY (P. O. Fort Myers), Fla.—BOND SALE.**—The G. B. Sawyer Co. was awarded on Sept. 5 the \$164,000 6% coupon Special Road and Bridge Dist. No. 2 bonds (V. 103, p. 431) for \$165,000, equal to 100.609.

**LEE COUNTY (P. O. Tupelo), Miss.—BONDS OFFERED BY BANKERS.**—The Hanchett Bond Co. of Chicago is offering to investors \$24,000 5% Road District No. 2 road-improvement bonds. Denom. \$500. Date Feb. 11 1916. Prin. and semi-annual int. payable at the First Nat. Bank, Chicago, or at the County Treasurer's office, Tupelo. Due \$500 yearly Feb. 11 from 1927 to 1940 incl. and \$17,000 Feb. 11 1941. Bonded debt, including this issue, \$64,000. Assessed val., 1915, \$722,771; est. actual value, over \$2,000,000.

**LIBERTY COUNTY (P. O. Liberty), Tex.—BOND SALE.**—On Oct. 9 the \$70,000 6% 30-year serial drainage bonds (V. 103, p. 1341) were awarded to Terry, Briggs & Co. of Toledo for \$71,500 (102.142) and int. Other bidders were: Bolger, Mosser & Willaman, Hanchett Bond Co., Chic. \$70,301 00; Chicago, \$70,501; Powell, Garard & Co., Ch. 70,202 50; J. L. Wortham & Sons, 70,350; J. L. Arlitt, Austin, 70,102 98. Denom. \$500. Date Oct. 1 1916. Int. A. & O.

**LOCKHART SCHOOL TOWNSHIP (P. O. Stendal), Pike County, Ind.—BOND SALE.**—On Sept. 30 the \$2,000 4½% school bonds—V. 103, p. 1058—were awarded, reports state, to Fred Pathery at 101.80.

**LOCKPORT, Niagara County, N. Y.—BOND ELECTION.**—The question of issuing \$12,000 fire-apparatus bonds will be submitted to the voters at the general election to be held Nov. 7.

**LOGAN CITY SCHOOL DISTRICT (P. O. Logan City), Cache County, Utah.—BOND SALE.**—On Sept. 29 \$80,000 4½% 10-20-year (opt.) building bonds were awarded, it is stated, to the International Trust Co. of Denver, for \$80,427 (100.533) and int. Denom. \$1,000. Date Sept. 1 1916. Prin. and semi-ann. int. payable at the Dist. Treas. office or at Kountze Bros., N. Y. City, at option of holder.

**LOGAN COUNTY (P. O. Bellefontaine), Ohio.—BONDS REFUSED.**—The Ohio Nat. Bank of Columbus has refused to accept the \$15,000 5% pike bonds awarded it at 101.345 during July. V. 103, p. 341.

**LONG BEACH (Village), Nassau County, N. Y.—BOND OFFERING.**—Proposals will be received until 7:30 p. m. Oct. 17 by Agnes Bracken, Village Clerk, for the \$45,000 municipal-building-hall bonds at not exceeding 5% interest, voted Oct. 2 (V. 103, p. 1341). Denom. \$600. Interest annually. Due \$1,800 yearly on Sept. 1 from 1921 to 1945, inclusive. Certified check for 2% of bid required. Bonded debt, excluding this issue, \$214,000. Assessed valuation 1916, \$4,778,998.

**LOS ANGELES MUNICIPAL IMPROVEMENT DISTRICT NO. 1, Calif.—WATER BOND ELECTION.**—Local papers state that a special election will be held in the Hollywood District on Oct. 18 to vote on the question of issuing \$1,020,000 bonds to purchase the system of the Union Hollywood Water Co. and make the necessary extensions and betterments.

**LOS BANOS SCHOOL DISTRICT, Merced County, Calif.—BONDS INVALID.**—Reports state that the \$63,000 5% building and equipment bonds awarded on Aug. 10 to the Bank of Italy (V. 103, p. 682) have been declared invalid.

**LUCAS COUNTY (P. O. Toledo), Ohio.—BOND SALE.**—On Oct. 6 the two issues of 5% bonds, aggregating \$13,668—V. 103, p. 1242—were awarded to Stacy & Braun of Toledo for \$13,917 96, equal to 101.828. Other bidders were:

Edward L. Stokes *	\$6,168 Sewer.	\$7,500 Road.
Security Savings Bank & Trust Co.	premium \$138 09	\$152 54
Tillotson & Wolcott Co.	115 00	125 25
Spitzer, Rorick & Co.	114 72	120 00
J. J. Walvogel, Toledo	95 50	104 60
		127 50

\* This bid was conditional and irregular.

**MCALISTER SCHOOL DISTRICT (P. O. McAlester), Pittsburg County, Okla.—BOND SALE.**—The \$40,000 5% building bonds offered on May 12 (V. 102, p. 1829) have been awarded to Geo. R. Broadwell of Oklahoma City at 102.25.

**MCLEAN COUNTY (P. O. Southport), Pa.—BOND ELECTION.**—An election will be held Nov. 7 to decide whether or not this county shall issue \$750,000 good road bonds.

**McKINNEY, Collin County, Tex.—BOND SALE.**—The \$25,000 5% 10-20-yr. (opt.) school-bldg. bonds offered for sale during May have been sold.—V. 103, p. 2008.

**MAGNETIC SPRINGS, Union County, Ohio.—BOND SALE.**—On Sept. 28 the two issues of 6% bonds, aggregating \$1,085 (V. 103, p. 960), were awarded to W. D. Curry of Columbus for \$1,120 (103.225) and int. There were no other bidders.

**MANATEE COUNTY SPECIAL TAX SCHOOL DISTRICT NO. 34 (Ellenton), Fla.—BOND OFFERING.**—Proposals will be received until Oct. 21 (opened Oct. 23) by W. M. Rowlett, Supt. Board of Public Instruction (P. O. Bradenton), for \$13,000 5% 20-year coupon school bonds—V. 103, p. 1242. Denom. \$500. Date Nov. 1 1916. Prin. and semi-annual int.—M. & N.—payable at the American Exchange Nat. Bank, N. Y. Due Nov. 1 1936. Certified check for \$350, payable to the above Supt., required. These bonds were authorized by vote of 23 to 0 at an election held Sept. 12. The district has no indebtedness. Assessed val. 1916, \$279,134; actual value, \$500,000.

**MANSFIELD, Richland County, Ohio.—BOND SALE.**—On Oct. 10 the \$27,000 5% 8-year aver. water bonds—V. 103, p. 1243—were awarded to Otis & Co. of Cleveland for \$28,460, equal to 105.407. Other bidders were:

A. B. Leach & Co.	\$28,412 00	Rud. Kleybolte Co.	\$28,377 00
Spitzer, Rorick & Co.	28,407 50	Stacy & Braun.	28,371 73
Well, Roth & Co.	28,388 00	Cummings, Prudden & Co.	28,367 00
Sidney Spitzer & Co.	28,385 00		

**MARICOPA COUNTY SCHOOL DISTRICT NO. 25, Ariz.—BOND OFFERING.**—Proposals will be received until 11 a. m. Oct. 16 by Clarence L. Standage, Clerk Board of County Supervisors (P. O. Phoenix) for



\$5,000 6% 20-year gold site-purchase, construction and equipment bonds. Denom. \$500. Date Nov. 1 1916. Principal and semi-annual int. M. & N., payable at office of County Treasurer. Certified check on an Arizona Bank or any national bank for not less than 10% of bid, payable to County Treasurer, required. These bonds were authorized by a vote of 13 to 0 at an election held July 10. Official circular states that there is no controversy or litigation pending or threatening, affecting the corporate existence or the boundaries of said district, the title of its present officials to their offices or the validity of these bonds, that no previous issues of bonds have been contested and that the principal and interest of all bonds previously has always been paid promptly at maturity. Total bonded debt (including this issue), \$13,800. Assessed value (equalized) 1915, \$566,083.

**MARION COUNTY (P. O. Indianapolis), Ind.—BOND SALE.**—The \$100,000 4% 10½-year aver. bridge bonds which were offered on June 27—V. 102, p. 1919—have been awarded to J. F. Wild & Co. of Indianapolis at 104.611.

**MARLBORO, Middlesex County, Mass.—LOAN OFFERING.**—It is reported that bids for a loan of \$30,000 dated Oct. 20 1916 will be received until 4 p. m. Oct. 18. Due \$10,000 on July 20, Aug. 20 and Sept. 20 1917.

**MARSHALL COUNTY (P. O. Holly Springs), Miss.—BOND SALE.**—On Oct. 2 the \$25,000 17½-year aver. Marianna Road Dist. road bonds—V. 103, p. 1243—were awarded to Whitaker & Co. of St. Louis at 100.875 for 5¼s.

**MARTINEZ SCHOOL DISTRICT, Contra Costa County, Calif.—BOND SALE.**—On Oct. 2 the \$51,000 5% gold coupon or reg. tax-free building and equipment bonds (V. 103, p. 1146) were awarded to Blyth, Witter & Co. of San Francisco for \$54,944 (107.733) and int. The following bids were also received:

Bidder	Amount
National City Co., San Fran.	\$54,651
State of California	\$54,200
E. H. Rollins & Sons, San Fran.	54,627
Torrance, Marshall & Co., S. F.	54,189
Girvin & Miller, San Fran.	54,501
Anglo-Lond.-Par. Bk., S. F.	54,160
Lumbermen's Tr. Co., S. F.	54,326
Bank of Martinez, Martinez	54,075
Wm. R. Staats Co., Los Ang.	54,358
First Nat. Bank of Contra	
F. M. Brown & Co., S. Fr.	54,211
Costa County, Martinez	51,750

**MIDDLESEX COUNTY (P. O. New Brunswick), N. J.—BOND SALE.**—John H. Gregory of Perth Amboy was awarded at 100.30 on June 30 the \$30,000 road bonds offered on that day.—V. 102, p. 2365.

**MILAN SCHOOL DISTRICT (P. O. Milan), Sullivan County, Mo.—DESCRIPTION OF BONDS.**—The \$15,000 5% building bonds recently awarded to Wm. R. Compton Co. of St. Louis for \$15,500, equal to 103.333 (V. 103, p. 1146), are in the denom. of \$500 and dated Sept. 1 1916. Int. M. & S. Due 1936, subject to call after 10 years.

**MINERVA SCHOOL DISTRICT (P. O. Minerva), Stark County, Ohio.—BOND SALE.**—On Oct. 6 the \$3,200 5% 8½-year aver. school bonds—V. 103, p. 1243—were awarded to Davies-Bertram Co. of Cincinnati for \$3,281—102.531—and int., a basis of about 4.64%. Other bids: Breed, Elliott & Harrison—\$3,269 44; Tillotson & Wolcott Co.—\$3,210 00; People's Bkg. Co., Coshoct.—3,255 30; Minerva Sav. & Trust Co.—3,200 00; Otis & Co.—3,242 00.

**MINNEAPOLIS, Minn.—BIDS.**—The following are the other bids received for the \$85,000 school bonds awarded on Sept. 27 to the Harris Trust & Savings Bank of Chicago at 100.136 and interest for 4s; bonds to mature Sept. 1 1946 (V. 103, p. 1243):

Wm. R. Compton Co., Chicago—	99.68	or \$84,728, dated Sept. 1 1916, maturing serially from Sept. 1 1921 to Sept. 1 1946; 4% per ann.
100.11 or \$85,095; dated Sept. 1 1916, payable Sept. 1 1946, at 4% per annum.		
100.03 or \$85,026; dated Sept. 1 1916, payable Sept. 1 1936, at 4% per annum.		
Minnesota Loan & Trust Co., Minn.: or \$85,085; dated Sept. 1 1916, payable Sept. 1 1946, at 4% per annum.		
Wells-Dickey Co., Minneapolis: or \$85,034; dated Sept. 1 1916; all payable Sept. 1 1936; or payable all or any amount in any of the years after 1936 and not later than 1946; or payable serially \$10,000 each year; or in any amount not exceeding \$10,000 in any one year, the first payment to be in 1933 or any year thereafter, and the remaining payments to be in the next succeeding years; or in any of the succeeding years not later than 1946, which the city may designate, providing that the last payment of the series may be for any amount now exceeding \$15,000, should the city desire; at 4% per annum.		
First Trust & Sav. Bank, Chicago: or \$85,025; dated Sept. 1 1916; payable Sept. 1 1946; at 4% per annum.		
Kalman, Matteson & Wood, St. Paul: or \$85,000; dated Sept. 1 1916; payable Sept. 1 1946; at 4% per annum.		
Geo. S. Ring, St. Paul: 100 or \$85,000; dated Sept. 1 1916; payable Sept. 1 1946; \$60,000 at 4% per annum and \$25,000 at 4.25% per annum.		
Farson, Son & Co., New York: 100.33 or \$85,280 50; dated Sept. 1 1916; maturing serially Sept. 1 1921 to Sept. 1 1932, at 4% per annum; or \$85,000, all maturing Sept. 1 1946, at 4.05% per annum.		
Cummings, Prudden & Co., Toledo: 98.555 or \$83,771 75; dated Sept. 1 1916; payable Sept. 1 1921; at 4% per annum.		
100.857 or \$85,728 45; dated Sept. 1 1916; payable Sept. 1 1936; at 4.20% per ann.		
Curtis & Sanger, Chicago: 100.011 or \$85,009 35; dated Sept. 1 1916; payable at any time between Sept. 1 1936 and Sept. 1 1946, at 4% per annum.		
Arthur Perry & Co., Boston: 100.06 or \$85,051; dated Sept. 1 1916; payable Sept. 1 1926; \$50,000 at 4.25% per annum, and \$35,000 at 4% per annum.		
Estabrook & Co., Chicago: 99.68 or \$84,728; dated Sept. 1 1916; payable Sept. 1 1946; at 4% per annum.		
Accrued interest included in all of the above bids.		

**MOGADOORE, Portage County, Ohio.—BOND ELECTION.**—At the general election to be held Nov. 7, the question of issuing \$2,000 park bonds will also be voted upon.

**MONTGOMERY COUNTY (P. O. Dayton), Ohio.—DESCRIPTION OF BONDS.**—The \$125,000 4½% flood-emergency bonds sold to Season-good & Mayer of Cincinnati, on Aug 10—V. 103, p. 682—are dated Aug. 10

1916 and are in the denomination of \$1,000. Int. M. & S. Due \$8,000 yrly. on Sept. 1 from 1918 to 1931 incl. and \$13,000 Sept. 1 1932.

**MOUNT MORRIS (Village), Livingston County, N. Y.—BOND SALE.**—On Oct. 5 the \$24,000 12½-year aver. water bonds—V. 103, p. 1146—were awarded to Blake Bros. & Co. of N. Y. at 100.133 and int. for 4.05s. The other bidders were:

	Price.	Interest.
Farson, Son & Co.	\$24,021 56	4.05%
Cummings, Prudden & Co.	24,030 00	4.10%
Crandell, Sheppard & Co.	24,030 00	4.10%
Geo. B. Gibbons & Co.	24,026 40	4.10%
H. A. Kahler & Co.	24,019 20	4.10%
W. R. Compton Co.	24,015 00	4.10%
Isaac W. Sherrill Co.	24,098 40	4.15%
Union Trust Co.	24,054 00	4.15%
Sage, Wolcott & Steele.	24,012 00	4.25%

All bids provided for payment of accrued interest.

**MT. VERNON, Westchester County, N. Y.—BOND OFFERING.**—Proposals will be received until 8 p. m. Oct. 31 by Peter Collins, City Clerk, for the following 4½% reg. bonds: \$30,000 highway repaving bonds. Due \$3,000 yrly. on Nov. 1 from 1917 to 1926 inclusive.

10,000 Harlem RR. grade crossing bonds. Due \$5,000 on Nov. 1 1925 and 1927.

Denom. \$1,000. Date Nov. 1 1916. Int. M. & N. Cert. check for \$1,000, payable to the "City of Mt. Vernon," required. Bonds to be delivered and paid for at U. S. Mtge. & Tr. Co., at 11 a. m. Nov. 15, unless a subsequent date shall be mutually agreed upon. Purchaser to pay accrued interest. Bids must be made on forms furnished by the city. The above trust company will certify as to the genuineness of the signatures of the city officials signing the bonds and the seal impressed thereon and their legality will be approved by Caldwell & Masslich of N. Y., whose opinion will be furnished purchaser without charge. Total bonded debt, excl. these issues, \$4,565,692, water and tax relief bonds outside of debt limit but included in above total debt \$560,000, assess. val. real estate \$38,073,245, special franchise \$2,021,662, personal \$51,400.

**MT. VERNON, Knox County, Ohio.—BOND SALE.**—The two issues of 5% sewer bonds, aggregating \$9,882.35, offered on Sept. 9—V. 103, p. 867—were awarded on that day to Seasongood & Mayer of Cincinnati at par and int. plus \$223 premium.

**MURFREESBORO, Rutherford County, Tenn.—BOND OFFERING.**—Bids will be received until 1 p. m. Nov. 1 by G. B. Giltner, Mayor, for the \$75,000 5% 20-year coupon high and grammar-school-building bonds voted Sept. 25—V. 103, p. 1342. Denom. \$1,000. Date Oct. 1 1916. Int. semi-annual. Certified check for \$1,000 required. Purchaser must pay accrued interest, furnish blank bonds and assume all expense of attorney's fees.

**NAVARO COUNTY (P. O. Corsicana), Tex.—DESCRIPTION OF BONDS.**—The \$180,000 Dist. No. 4, and \$100,000 Dist. No. 5 5% road bonds awarded on Aug. 2 to local parties (V. 103, p. 603), are in denomination of \$1,000 and are dated July 10 1916. Int. annual on April 10. Due 40 years, option serially.

**NEW BARBADOS TOWNSHIP SCHOOL DISTRICT (P. O. Hackensack), Bergen County, N. J.—BOND OFFERING.**—Geo. N. Comes, District Clerk, will receive bids until 8:30 p. m. Oct. 27 for an issue of \$50,000 4½% coup.—with privilege of reg.—school bonds. Date Oct. 1 1916. Certified check for 2% of bonds bid for required. The legal opinion of Hawkins, Delafield & Longfellow will be delivered to the purchaser.

**NEW CASTLE SCHOOL DISTRICT (P. O. New Castle), Lawrence County, Pa.—BOND SALE.**—On Oct. 10 the \$45,000 4% 15-30-yr. opt. school bonds—V. 103, p. 1146—were awarded to the Mellon Nat. Bank of Pittsburgh for \$45,095 68 (100.212) and int. Other bids were: Lyon, Singer & Co.—\$45,067 50; Nat. City Co., N. Y.—\$45,022 50.

**NEWTON, Harvey County, Kans.—BOND SALE.**—On Aug. 15 \$70,000 4½% 10-25-yr. (opt.) water-works bonds were awarded to the Guarantee Title & Trust Co. of Wichita for \$70,395 (100.564) and int. Denom. \$1,000. Date July 1 1916. Int. J. & J.

**NEWTON (P. O. West Newton), Middlesex County, Mass.—BIDS.**—The other bids received for the \$10,000 4% 5½-year aver. street bonds awarded to Merrill, Oldham & Co. of Boston on Oct. 4 at 102.089 were as follows—V. 103, p. 1342:

Harry C. Grafton Jr.	*102.00	E. C. Potter & Co.	101.45
Arthur Perry & Co.	101.713	Adams & Co.	101.45
Harris, Forbes & Co.	101.68	E. H. Rollins & Sons	101.348
Blodgett & Co.	101.63	Curtis & Sanger	101.321
R. L. Day & Co.	101.619	W. L. Raymond & Co.	101.27
Cropley, McFarlane & Co.	101.523		

**NEWPORT BEACH, Orange County, Cal.—BONDS VOTED.**—We are advised that the question of issuing \$125,000 5% harbor-impt. bonds carried by a vote of 391 to 20 at the election held Sept. 25.

**NEW YORK CITY.—TEMPORARY LOANS.**—The following short term securities, aggregating \$14,085,478 92, and consisting of revenue bonds revenue bills and corporate stock notes, were disposed of by this city during September:

Revenue Bonds, 1916—	Interest.	Maturity.	Amount.
Current expenses	2½	Dec. 7 1916	\$20,000 00
do do	2½	Dec. 7 1916	128,000 00
do do	2½	Nov. 29 1916	250,000 00
do do	2½	Nov. 25 1916	500,000 00
do do	2½	Dec. 1 1916	500,000 00
do do	2½	Dec. 2 1916	400,000 00
do do	2½	Dec. 15 1916	435,000 00

Total revenue bonds of 1916.....\$2,233,000 00

Revenue Bills, 1916—	Interest.	Maturity.	Amount.
Current expenses	2 6-10	Dec. 1 1916	\$500,000 00
do do	2½	Dec. 7 1916	500,000 00
do do	2½	Dec. 7 1916	165,000 00
do do	2½	Dec. 1 1916	150,000 00
do do	2 6-10	Dec. 5 1916	496,794 52
do do	2 5-5	Dec. 5 1916	496,891 09
do do	2 5-5	Dec. 5 1916	248,515 41
do do	2 5-5	Nov. 27 1916	994,349 31
do do	2 5-5	Dec. 6 1916	298,273 97
do do	2 5-5	Dec. 6 1916	766,392 63
do do	2 5-5	Dec. 1 1916	497,287 67
do do	2 5-5	Dec. 5 1916	995,136 99
do do	2 5-5	Dec. 8 1916	994,931 51
do do	2 5-5	Dec. 8 1916	248,905 82

Total revenue bills of 1916.....\$7,352,478 92

Special Revenue Bonds, 1916—	Interest.	Maturity.	Amount.
Special	3	(On or after Jan. 2 1917)	1,000,000 00

Total revenue bonds, special, 1916.....\$1,000,000 00

Corporate Stock Notes—	Interest.	Maturity.	Amount.
Docks	3	(On or before Dec. 31 1916)	250,000 00
Rapid transit	3	(On or before Dec. 31 1916)	3,000,000 00
Water supply	3	(On or before Dec. 31 1916)	250,000 00

Total corporate stock notes.....\$3,500,000 00

\* Rate of discount; figures in "Amount" column represent proceeds of loan after deducting discount.

**NILES, Trumbull County, Ohio.—BOND SALE.**—The \$5,000 5% 10 year aver. coup. cemetery impt. bonds, which were offered on July 31—V. 103, p. 342—have been sold to W. L. Slayton & Co. of Toledo at 103.64 and interest.

**NORTHFIELD VILLAGE SCHOOL DISTRICT (P. O. Northfield), Summit County, Ohio.—BOND OFFERING.**—G. L. Williams, Clerk of Board of Education, will receive bids until 9 a. m. to-day (Oct. 14), for \$3,000 5% school bonds. Denom. \$1,000. Date Oct. 16 1916. Int. A. & O. at Dime Savs. Bank, Akron. Due \$1,000 April 1 1920, 1921 and 1922. Certified check for 10% of bonds required.



**NORTH DAKOTA.—BONDS PURCHASED BY STATE.**—During the month of September the following twenty-three issues of 4% bonds, aggregating \$82,000 were purchased by the State of North Dakota at par:

Amount.	Place Issuing Bonds.	Purpose.	Date of Bonds.	Due.
\$3,000	Alexander Sch. Dist.	Building	Aug. 1 1916	Aug. 1 1926
2,800	Alpha Sch. Dist.	Building	Sept. 1 1916	Sept. 1 1926
1,000	Bremen Sch. Dist.	Building	Aug. 1 1916	Aug. 1 1926
8,000	Devils Lake	4,000 sewer 4,000 abattoir	June 1 1916	June 1 1926
11,000	Egeland Sch. Dist.	Building	Aug. 1 1916	Aug. 1 1926
1,200	Fryburg Sch. Dist.	Building	Aug. 15 1916	Aug. 15 1926
3,500	Girard Sch. Dist.	Funding	July 1 1916	July 1 1926
4,000	Hague Sch. Dist.	Building	Aug. 1 1916	Aug. 1 1926
4,000	Harwood Sch. Dist.	Building	Aug. 22 1916	Aug. 22 1926
8,000	Henderson Sch. Dist.	Building	Aug. 15 1916	Aug. 15 1926
600	Hiddenwood S. D.	Building	Sept. 1 1916	Sept. 1 1926
3,500	Judson Sch. Dist.	Building	Sept. 1 1916	Sept. 1 1926
1,500	Karlruhe Sch. Dist.	Funding	Aug. 1 1916	Aug. 1 1926
10,000	Lincoln Sch. Dist.	Building	Aug. 22 1916	Aug. 22 1926
1,200	Lindahl Sch. Dist.	Building	Aug. 1 1916	Aug. 1 1926
1,600	Lonsome Sch. Dist.	Building	Aug. 22 1916	Aug. 22 1926
5,500	Mercer Sch. Dist.	Building	July 1 1916	July 1 1926
1,500	Pleasant Valley S. D.	Building	Aug. 15 1916	Aug. 15 1926
2,000	Sandvig Sch. Dist.	Building	Aug. 22 1916	Aug. 22 1926
3,500	School District No. 36	Building	Aug. 15 1916	Aug. 15 1926
1,800	Sidonia Sch. Dist.	Building	Sept. 1 1916	Sept. 1 1926
1,800	Strasburg Sch. Dist.	Building	Sept. 1 1916	Sept. 1 1926
1,000	Williams Sch. Dist.	Building	Aug. 1 1916	Aug. 1 1926

**OCEAN TOWNSHIP (P. O. Oakhurst), Monmouth County, N. J.—BOND SALE.**—On Oct. 4 an issue of \$7,000 5% Fire District bonds was awarded to the Long Branch Banking Co. of Long Branch at 102. Other bids were:

Citizens Nat. Bk. Long Br.	\$7,080 00	R. M. Grant & Co.	\$7,070 21
Second Nat. Bk. Redbank.	7,071 50	Outwater & Wells.	7,028 00
Date Aug. 1 1916.	Int. F. & A.	Due on Feb. 1, from 1918 to 1924.	

**OGDEN SCHOOL DISTRICT (P. O. Ogden), Boone County, Iowa.—BOND SALE.**—On Sept. 29 the \$10,000 4½% high-school-building bonds (V. 103, p. 1147) were awarded to Geo. M. Bechtel & Co., of Davenport, at par less \$50 for printing bonds. Other bids were:

Bolger, Mosser & Willaman, Chicago	\$10,015
Schanke & Co., Mason City	Par, less \$100 attorney's fees.
C. H. Coffin, Chicago	\$10,011, less \$200 attorney's fees.
Denom. \$1,000.	Date Oct. 1 1916. Int. M. & N. Due May 1 1921.

**OSCEOLA COUNTY (P. O. Sibley), Iowa.—BONDS OFFERED BY BANKERS.**—The Hanchett Bond Co. of Chicago is offering to investors \$13,000 4½% 15-20-yr. (opt.) bridge funding bonds. Denom. \$1,000. Date Oct. 2 1916. Prin. and semi-annual int. (A. & O.) payable at the County Treasurer's office. Bonded debt, \$25,000. Taxable value 1915 \$5,612,727. Assessed actual val. equalized, \$22,405,908.

**OXFORD, Granville County, No. Caro.—BOND SALE.**—On Oct. 5 the Security Trust Co. purchased \$180,000 5% street-improvement bonds (V. 103, p. 1147).

**PARMA INDEPENDENT SCHOOL DISTRICT NO. 8 (P. O. Parma), Canyon County, Idaho.—BONDS VOTED.**—By a vote of 119 to 36 the question of issuing \$25,000 20-year building bonds carried, it is stated, at an election held Sept. 30.

**PATCHOGUE (Village), Suffolk County, N. Y.—BOND SALE.**—On Oct. 10 the \$8,000 paving bonds—V. 103, p. 1342—were awarded to Cummings, Prudden & Co. of N. Y., as 4.10s. Other bids were:

	Price.	Int.
H. A. Kahler & Company	100.14	4.15
Geo. B. Gibbons & Co.	100.07	4.30
Union Savings Bank, Patchogue	100.16	4.30
Farson, Son & Company	100.16	4.35
Patchogue Bank, Patchogue	100.16	4.45
City Trust Company, Patchogue	100.16	4.75
Denom. \$1,000.	Date Nov. 1 1916. Int. J. & J. Due \$1,000 yearly on Jan. 1 from 1920 to 1927, incl.	

**PEEKSKILL, Westchester County, N. Y.—BOND SALE.**—On Oct. 9 an issue of \$38,572 27-year average sewer bonds was awarded to H. A. Kahler & Co. of N. Y. at 100.313 for 4.05s. Other bids were:

	Price.	Int.
Hornblower & Weeks, New York	100.23	4.05
Farson, Son & Co., New York	100.217	4.05
Geo. B. Gibbons & Co., New York	100.16	4.05
Kissel, Kinnicutt & Co., New York	101.277	4.10
Isaac W. Sherrill Co., Poughkeepsie	100.41	4.10
Crandell, Sheppard & Co., New York	100.292	4.10
A. B. Leach & Co., New York	100.279	4.10
Cummings, Prudden & Co., New York	100.179	4.15
Hood & Bolles, New York	100.00	4.25
Peekskill Savings Bank, Peekskill	100.00	4.25

**PEORIA SPECIAL SCHOOL DISTRICT, Union County, Ohio.—BOND SALE.**—The \$2,500 5% 3-yr. aver. school bonds which were offered on July 22—V. 103, p. 342—have been sold as follows: \$2,000 to Christian Jackson and \$500 to Union Banking Co. of Maryville.

**PHILADELPHIA, Pa.—BOND OFFERING.**—Newspaper dispatches state that bids for \$10,000,000 of 4% city bonds will be opened by Mayor Thos. B. Smith on Oct. 31. It was the original intention of the city to offer these bonds at public subscription. The offering will be made up of \$2,500,000 50-year transit bonds and \$7,500,000 30-year general improvement bonds. All the bonds will be dated July 1 1916 and bear interest at the rate of 4% per annum.

**PHILLIPS TOWNSHIP, White County, Ill.—BONDS OFFERED BY BANKERS.**—The Hanchett Bond Co. of Chicago is offering to investors \$9,000 5% road bonds. Denom. \$500. Date July 1 1916. Prin. and annual int. (July 1) payable to the First Nat. Bank, Chicago. Due \$2,000 July 1 1920 and 1921 and \$2,500 July 1 1922 and 1923. Bonded debt \$37,800. Assess. val., \$771,651. Est. val., \$2,315,000.

**PITMAN, Gloucester County, N. J.—BOND OFFERING.**—The date of the offering of the 5% sewer bonds not to exceed \$60,000 which was to have taken place Oct. 9—V. 103, p. 1342—has been extended to Oct. 23. This change was necessitated because of not being advertised for the required number of days.

**PORT ARTHUR, Jefferson County, Tex.—PRICE PAID FOR BONDS.**—The price paid for the \$64,000 5% street-paving bonds awarded on Sept. 30 to Stacy & Braun of Toledo (V. 103, p. 1342) was \$65,795 (102.804) and not \$65,905 (102.976) as first reported. Denom. \$500. Date Sept. 1 1916. Int. M. & N. Due \$1,500 yearly Sept 1 from 1917 to 1951 incl., \$2,000 Sept. 1 1952 and 1953 and \$2,500 Sept. 1 1954, 1955 and 1956.

**PORT CLINTON, Ottawa County, Ohio.—BOND SALES.**—On Oct. 3 the \$10,000 5½% 6½-year average Monroe street sewer-improvement bonds (V. 103, p. 1059) were awarded to A. E. Aub & Co. of Cincinnati at 105 and interest. The other bidders were:

Davies-Bertram Co.	\$10,490 00	Well, Roth & Co.	\$10,408 00
Stacy & Braun	10,486 20	First Nat. Bank, Cleve.	10,403 60
Seasongood & Mayer	10,462 50	Ohio Nat. Bank, Colum.	10,391 00
Cummings, Prudden & Co.	10,460 00	Security S. Bk. & Tr. Co.	10,389 00
New First Nat. Bank	10,458 00	Sidney Spitzer & Co.	10,388 00
Hayden, Miller & Co.	10,458 00	F. L. Fuller & Co.	10,376 80
Provident S. Bk. & Tr. Co.	10,454 00	Hanchett Bond Co.	10,359 00
Tillotson & Wolcott Co.	10,452 00	W. L. Slayton & Co.	10,327 00
Germ.-Amer. Bk., Port Cl.	10,440 00	Spitzer, Rorick & Co.	10,318 75
Breed, Elliott & Harrison	10,412 50	Otis & Company	10,300 00

On Oct. 10 the \$16,500 5½% 6½-year aver. sewer bonds—V. 103, p. 1059—were awarded to Terry, Briggs & Co. of Toledo at 105.18. Other bidders and premium bids were:

Field, Richards & Co.	\$851 00	Durfee, Niles & Co.	\$767 00
A. E. Aub & Co.	845 00	Seasongood & Mayer	765 00
Hayden, Miller & Co.	840 00	First National Bank	763 95
Fifth-Third Nat. Bank	833 25	Tillotson & Wolcott Co.	762 30
Stacy & Braun	831 05	Provident S. B. & Tr. Co.	747 45
The Davies-Bertram Co.	810 00	Well, Roth & Co.	712 50
Cummings, Prudden & Co.	803 00	W. L. Slayton & Co.	702 40
First National Bank	789 40	F. L. Fuller & Co.	662 80
Ohio National Bank	767 85	Spitzer, Rorick & Co.	562 5

**PRAIRIE DU CHIEN, Crawford County, Wis.—BONDS OFFERED BY BANKERS.**—The Hanchett Bond Co. of Chicago is offering to investors \$6,000 5% bridge bonds. Denom. \$500. Date Sept. 1 1916. Prin. and semi-annual int. (J. & J.) payable at the City Treas. office. Due \$1,000 yearly July 1 from 1920 to 1925, incl. Total bonded debt, \$18,000. Assess. val., \$1,923,339. Total value (est.), \$2,500,000.

**QUITMAN COUNTY (P. O. Marks), Miss.—BONDS NOT SOLD.**—No sale has been made of the \$150,000 coupon Road District No. 4 gravel-road bonds offered on Sept. 4 (V. 103, p. 777).

**RAPIDES PARISH (P. O. Alexandria), La.—BONDS PROPOSED.**—Local papers state that this parish will issue \$40,000 5% 1-10-year serial coupon bonds to build a bridge across Red River at Boyce. T. C. Wheadon is President of Police Jury.

**RED CLOUD, Webster County, Neb.—BOND SALE.**—On Sept. 21 \$10,000 5% 5-20-year sewer-system bonds were awarded to the Webster County Bank of Red Cloud at par and blank bonds. Other bids were: State Bank, Red Cloud, 100.75; People's Bank, Red Cloud, 100. Denom. \$500. Date Oct. 1 1916. Interest annually on Oct. 1.

**RED RIVER, Achafalaya and Bayou Boeuf Levee District, La.—BOND OFFERING.**—Proposals will be received until 8 p. m. Nov. 10 by Howard B. Gist, Secy. Board of Commissioners, at the Commercial Bank Bldg., Alexandria, for all or any part of an issue of \$250,000 5% coupon levee bonds. Denom. \$1,000. Date Aug. 1 1916. Principal and semi-annual interest (F. & A.) payable at the State Treasurer's office at Baton Rouge. Due \$10,000 yearly Aug. 1 from 1921 to 1945 incl. The legality of bonds examined by Caldwell & Masslich of New York, whose opinion approving the validity of the bonds, payable principal and interest from taxes, as authorized in and limited by the constitution and laws of the State of Louisiana, will be furnished to the purchaser without charge. Certified check upon a solvent bank or trust company for 2% of the bonds bid for, payable to E. G. Richards, Pres. of Board of Commissioners, required. All bids must be on blank forms, which, together with additional information, will be furnished by the Secretary Board of Commrs., or said attorney.

The official notice of this bond offering will be found among the advertisements elsewhere in this Department.

**RICHVALE DRAINAGE DISTRICT NO. 100 (P. O. Richvale), Butte County, Calif.—BOND SALE.**—On Sept. 29 the \$50,000 6% drainage system bonds (V. 103, p. 1147), were awarded, it is stated, to the Rieckert-Smith Bank of Oroville at 100.20.

**RIO GRANDE DRAINAGE DISTRICT (P. O. Monte Vista), Rio Grande County, Colo.—BONDS NOT SOLD.**—No sale has been made of the (\$100,000 or \$130,000) 5½% coupon drainage-system bonds offered on Sept. 30 (V. 103, p. 1147).

**ROBINSON, Crawford County, Ill.—BONDS OFFERED BY BANKERS.**—The following 5% bonds, aggregating \$7,000, are being offered to investors by the Hanchett Bond Co. of Chicago:

\$4,000 electric light bonds.	Due \$500 yrly. on Aug. 1 from 1917 to 1924 inclusive.
3,000 bridge bonds.	Due \$500 yrly. on Aug. 1 from 1917 to 1922 incl.
Denom. \$500.	Date Aug. 15 1916. Prin. and ann. int. payable at Robinson State Bank, Robinson. Bonded debt incl. these issues \$20,000, assess. val. \$999,733, est. val. \$3,000,000.

**ROCKFORD, Mercer County, Ohio.—BOND SALE.**—Davies-Bertram Co. of Cincinnati were awarded at par and interest during August the two issues of 5% 1-5-year serial coupon bonds, aggregating \$5,000, offered on Aug. 9 (V. 103, p. 343).

**ROCK ISLAND SCHOOL DISTRICT (P. O. Rock Island), Rock Island County, Ill.—BOND SALE.**—A. B. Leach & Co., of Chicago, were awarded, at 100.536, on Aug. 8 \$100,000 4½% 5-year refunding bonds. Denom. \$1,000. Date Sept. 1 1916. Int. M. & S. Due Sept. 1 1921.

**ST. BERNARD, Hamilton County, Ohio.—BOND SALE.**—On Oct. 10 the \$50,000 4½% 30 yr. street bonds—V. 103, p. 1060—were awarded to Sidney Spitzer & Co. of Toledo at 106.33, a basis of about 4.15%. Other bidders were:

Cummings, Prudden & Co.	\$52,565	Field, Richards & Co.	\$52,100
Seasongood & Mayer	52,416	Security Sav. Bk. & Tr. Co.	52,060
Well, Roth & Co.	52,405	Fifth-Third Nat. Bank	51,940
Citizens Bk., St. Bernard	52,295	J. C. Mayer & Co.	51,725
Prov. Sav. Bk. & Tr. Co.	52,145		

**SALEM, Columbiana County, Ohio.—BOND SALE.**—On Oct. 10 the \$15,000 5% 16½-year aver. refunding bonds—V. 103, p. 1147—were awarded to A. E. Aub & Co. of Cincinnati for \$16,155 10 (107.700) and int., a basis of about 4.35%. Other bidders were:

Stacy & Braun	\$16,087 82	Security S. B. & T. Co.	\$15,874 50
A. B. Leach & Co.	16,056 00	First National Bank	15,829 60
Well, Roth & Co.	16,056 00	Durfee, Niles & Co.	15,811 00
Field, Richards & Co.	16,010 00	Bolger, Mosser & Willaman	15,795 00
Cummings, Prudden & Co.	15,942 00	Terry, Briggs & Co.	15,778 00
Seasongood & Mayer	15,925 00	Prov. S. B. & Tr. Co.	15,774 00
Fifth-Third Nat. Bank	15,922 50	W. L. Slayton & Co.	15,625 50
Ohio Nat. Bank	15,911 75	Spitzer, Rorick & Co.	15,512 50
Breed, Elliott & Harrison	15,909 25		
Otis & Company	15,900 00		

**SAN JUAN COUNTY SCHOOL DISTRICT NO. 4, Wash.—BOND SALE.**—The State of Washington on Sept. 9 was awarded \$2,000 5½% building bonds. Denom. \$200. Date Oct. 2 1916. Interest annually on Oct. 2. Due 1935, but subject to call before that date.

**SAPULPA TOWNSHIP (P. O. Bowden), Creek County, Okla.—BONDS OFFERED BY BANKERS.**—The Hanchett Bond Co. of Chicago is offering to investors \$45,000 6% 25-yr. road construction bonds. Denom. \$1,000. Date Feb. 7 1916. Prin. and semi-annual int. (F. & A.) payable at the Oklahoma State fiscal agency in N. Y. City. Total bonded debt \$136,901. Assess. val. 1915, \$3,195,767, total value (est.) \$4,500,000.

**SCOTT COUNTY SCHOOL DISTRICT NO. 56 (P. O. New Market), Minn.—BOND SALE.**—On Sept. 16 the First State Bank of New Market was awarded \$3,000 5% 9-year building bonds at par. Denom. (1) \$200, (7) \$400. Date Sept. 18 1916. Interest annually in September.

**SEATTLE, Wash.—BOND SALE.**—During the month of August the following 6% special improvement bonds, aggregating \$257,413 57, were sold by this city at par:

Amount.	Dist. No.	Purpose.	Date.	Due.
\$445 45	2935	Grade	Sept. 16 1916	Sept. 16 1923
7,507 18	2858	Curbs, gutter	Sept. 21 1916	Sept. 21 1926
36,800 23	2859	Grade	Sept. 1 1916	Sept. 1 1926
8,319 74	2940	Grade and walks	Sept. 8 1916	Sept. 8 1928
14,504 01	2903	Condemnation	Sept. 11 1916	Sept. 11 1928
149,023 20	2898	Condemnation	Sept. 18 1916	Sept. 18 1928
8,315 45	2917	Grade and walks	Sept. 18 1916	Sept. 18 1928
5,668 82	2976	Paving	Sept. 18 1916	Sept. 18 1928
13,780 95	2929	Paving	Sept. 19 1916	Sept. 19 1928
3,578 80	2932	Paving	Sept. 19 1916	Sept. 19 1928
2,068 72	2946	Sewer	Sept. 19 1916	Sept. 19 1928
7,401 02	2970	Paving	Sept. 19 1916	Sept. 19 1928

All of the above bonds are subject to call part yearly.

**SEBRING, Mahoning County, Ohio.—BOND SALE.**—On Oct. 10 the five issues of 5% and 5½% coupon bonds, aggregating \$65,400 (V. 103, p. 1060), were awarded to the Provident Savings Bank & Trust Co. of Cincinnati for \$68,037 68 (104.033) and interest. Other bids were:

Stacy & Braun	\$67,948 02	Breed, Elliott & Harrison	\$67,504 34
Well, Roth & Co.	67,903 80	F. L. Fuller & Co.	67,457 50
Durfee, Niles & Co.	67,857 00	Tillotson & Wolcott Co.	67,388 78
Ohio National Bank	67,788 33	W. L. Slayton & Co.	67,188 42
Field, Richards & Co.	67,673 00	Spitzer, Rorick & Co.	67,176 00
Davies-Bertram Co.	67,637 00	First National Bank	67,165 00
Mansfield Savings Bank	67,587 00	Seasongood & Mayer	67,155 00
Sidney Spitzer & Co.	67,555 57	Otis & Company	67,016 00

**SEGUIN, Guadalupe County, Tex.—BOND SALE.**—The \$36,000 5% 10-40-year (opt.) sanitary-sewer bonds offered for sale during August (V. 103, p. 778), have been sold, we are advised, subject to a decision of the court in November as to the legality of the election at which the bonds were voted.



**SEQUOYAH COUNTY (P. O. Sallisaw), Okla.—BONDS OFFERED BY BANKERS.**—The Hanchett Bond Co. of Chicago is offering to investors the following 6% 25-yr. road construction bonds:  
\$24,000 Vian Twp. bonds. Bond. debt \$24,000. Assess. val. \$807,494  
11,000 Sadie Twp. bonds. Bond. debt \$11,000. Assess. val. \$375,902  
13,700 Roland Twp. bonds. Bond. debt \$13,700. Assess. val. \$457,961  
10,000 Muldrow Twp. bonds. Bond. debt \$10,000. Assess. val. \$486,742  
20,000 Paw Paw Twp. bonds. Bond. debt \$20,000. Assess. val. \$714,456  
Denom. \$1,000. Date June 1916. Prin. and semi-annual int. payable at the fiscal agency of the State of Okla. in N. Y. City.

**SHELBY COUNTY (P. O. Shelbyville), Ind.—BOND OFFERING.**—S. A. Brown, County Treas., will receive bids until 10 a. m. Oct. 20 for \$10,480 4½% 6 1-3-yr. aver. Moses M. Logan et al road bonds in Hanover Twp. Denom. \$524. Date Oct. 15 1916. Int. M. & N. Due \$524 each six months from May 15 1918 to Nov. 15 1927 incl.

**SHELBY COUNTY (P. O. Sidney), Ohio.—BOND OFFERING.**—Proposals will be received until 10 a. m. Oct. 24 by Geo. P. Staley, Co. Aud., for \$36,100 5% ditch bonds. Auth. Secs. 6489, 6490, 6492 and 6493, Gen. Code. Date Oct. 24 1916. Int. A. & O. at Treas. office. Due each six months from Apr. 24 1917 to Oct. 24 1919 incl. Cert. check or cash for \$200 required. Bonds to be delivered and paid for within 5 days from date of sale.

**SHELBY VILLAGE SCHOOL DISTRICT (P. O. Shelby), Richland County, Ohio.—BOND SALE.**—The First National Bank of Shelby was awarded on June 24 for \$15,815, equal to 105.433, the \$15,000 5% 21-year average refunding bonds offered on that day (V. 102, p. 2366).

**SHELDahl SCHOOL DISTRICT (P. O. Sheldahl), Polk County, Iowa.—BOND SALE.**—The \$6,000 building bonds voted Sept. 2 (V. 103, p. 778) have been awarded to Geo. M. Bechtel & Co. of Davenport.

**SMITHVILLE, Wayne County, Ohio.—BOND SALE.**—The Farmers & Merchants Bank of Smithville has been awarded at \$10,900 33 (102.190) and interest the two issues of 5½% street assessment bonds, aggregating \$10,666 72, which were offered on Sept. 2 (V. 103, p. 512).

**SOLOn TOWNSHIP RURAL SCHOOL DISTRICT (P. O. Solon), Cuyahoga County, Ohio.—BOND SALE.**—Tillotson & Wolcott Co., of Cleveland, have been awarded the \$4,766 24 5% coupon refunding bonds which were offered on Feb. 7 (V. 102, p. 271). The price paid was \$4,789 24, equal to 100.482.

**SOUTH DAKOTA.—WARRANT SALE.**—We learn from the State Treasurer that the \$300,000 1-year revenue warrants offered for sale on March 25 were awarded on that day to the Harris Trust & Savings Bank of Chicago at par for 3.46s. Denom. \$10,000. Date April 1 1916. Int. A. & O.

**SOUTH NEWBURGH VILLAGE SCHOOL DISTRICT, Cuyahoga County, Ohio.—BOND OFFERING.**—Proposals will be received until 6:30 p. m. Oct. 30 by H. H. Bohning, Clerk of Board of Education, for the following 4½% coupon building bonds:  
\$18,000 bonds. Due \$2,000 yearly on Oct. 1 from 1918 to 1926, inclusive.  
2,000 bonds. Due Oct. 1 1927.

Auth. Secs. 7625 to 7627, inclusive, Gen. Code. Denom. \$500. Date Oct. 1 1916. Principal and semi-annual interest—A. & O.—payable at Broadway Sav. & Trust Co., Cleveland. Certified check on a bank other than the one making the bid, for 10% of bonds bid for, payable to the District Treasurer, required. Bonds to be delivered and paid for within ten days from time of award. Purchaser to pay accrued interest.

**SOUTH PARK INDEPENDENT SCHOOL DISTRICT (P. O. Beaumont), Jefferson County, Tex.—PRICE PAID FOR BONDS.**—The price paid for the \$25,000 5% building and impt. bonds awarded recently to C. W. McNear & Co. of Chicago (V. 103, p. 1060), was 100.14 (not 101.10 as first reported) and int. Purchaser to print bonds. Denom. \$1,000. Date Aug. 21 1916. Int. A. & O. Due \$1,000 yrly. from 1917 to 1941, incl.

**SOUTH RIVER BOROUGH SCHOOL DISTRICT NO. 1 (P. O. South River), Middlesex County, N. J.—BOND SALE.**—On Oct. 5 the \$33,000 4½% school bonds (V. 103, p. 1244) were awarded to M. M. Freeman & Co. of Philadelphia at 104.238 and int. Other bids were:  
South River Trust Co. \$34,237 83 H. L. Crawford & Co. \$34,051 00  
Hornblower & Weeks 34,217 70 R. M. Grant & Co. 34,026 60  
Geo. B. Gibbons & Co. 34,119 87 New Jersey Fidelity &  
First Nat. Bank, So. Riv. 34,079 10 Plate Glass Co. 33,975 00  
Outwater & Wells 34,079 10 J. S. Ripple & Co. 33,620 07

**STAR CITY, Monongalia County, W. Va.—DESCRIPTION OF BONDS.**—The \$8,000 6% sewer bonds awarded on Aug. 1 to the Hanchett Bond Co. of Chicago (V. 103, p. 684), are in the denom. of \$500 and dated July 1 1916. Prin. and annual int. (July 1) payable at the Second Nat. Bank of Morgantown. Due \$500 yrly. July 1 from 1926 to 1941, incl., opt. after July 1 1921. Total bonded debt \$8,000. Assess. val. \$320,226, total value (est.) \$500,000.

**STONE COUNTY (P. O. Galena), Mo.—BOND ELECTION.**—The proposition to issue \$50,000 court-house bonds will be submitted to a vote, it is stated, on Nov. 7.

**STROUDSBURG, Monroe County, Pa.—BOND SALE.**—Bids for the issue of \$7,000 4½% 1-10-year optional refunding bonds offered on Oct. 9 were as follows:  
J. C. Kitchen 102.00 Monroe County Nat. Bank 101.50  
E. F. Smith 101.75

**STRONGSVILLE TOWNSHIP RURAL SCHOOL DISTRICT (P. O. Strongsville Center), Cuyahoga County, Ohio.—BOND SALE.**—The \$3,500 5% coupon school bonds offered on Jan. 29 (V. 102, p. 271) have been sold to Tillotson & Wolcott Co. of Cleveland for \$3,575, equal to 102.142.

**SUMRALL, Lamar County, Miss.—BOND SALE.**—On Oct. 3 \$8,000 5% 10-year refunding bonds were awarded to Bolger, Mosser & Willaman of Chicago for 100.1875 less \$80 for attorney's fees. Denom. \$500. Int. J. & D.

**SYRACUSE, N. Y.—BOND OFFERING.**—Further details are at hand relative to the offering on Oct. 17 of the \$50,000 sewer and \$258,500 municipal-impt. 4½% reg. tax-free bonds—V. 103, p. 1343. Bids for these bonds will be received until 1 p. m. Oct. 17 by M. E. Conan, City Compt. Denom. at option of purchaser. Date Oct. 1 1916. Prin. and semi-annual int.—J. & D.—payable at Columbia Trust Co., N. Y. Due in 20 equal annual installments, beginning 1 year from date. Cert. check for 2% of bonds bid for, payable to City Compt., required. Bonds to be delivered on Oct. 31 at above trust company unless a subsequent date shall be mutually agreed upon in writing. Purchaser to pay accrued int. The legality of these bonds will be examined by Caldwell & Masslich of N. Y., whose favorable opinion will be furnished purchaser. Bids must be unconditional and upon forms furnished by the City Comptroller. Bonded debt, including above issues, \$11,542,466. Assess. val. special franchise, \$8,727,210; assess. val. real property, \$136,211,262; assess. val. taxable property, \$150,241,226; actual val. taxable property (est.), \$165,000,000.

**TACOMA, Wash.—BOND SALE.**—During the month of September this city issued \$3,343 70 6% 10-year special improvement Dist. No. 4034 paving bonds. Date Sept. 18 1916.

**TARBORO, Edgecombe County, No. Caro.—BOND SALE.**—On Oct. 9 the \$25,000 5% 30 yr. coupon water works and sewerage system ext. bonds (V. 103, p. 1244), were awarded to E. H. Rollins & Sons of Chicago at 104.848 and int.

**TIFFIN TOWNSHIP SCHOOL DISTRICT (P. O. Defiance), Defiance County, Ohio.—BOND ELECTION.**—Newspaper reports state that the question of issuing \$25,000 school bldg. bonds will be decided by the voters on Nov. 7.

**TIMPERSON, Shelby County, Tex.—WARRANT SALE.**—J. L. Arlitt, of Austin, recently purchased \$10,000 6% semi-annual warrants dated Aug. 15 1916.

**TISHOMINGO, Johnston County, Okla.—BOND SALE.**—On Aug. 17 R. J. Edwards of Oklahoma City was awarded \$10,000 park and \$2,500 city-hall 6% bonds at 103. Denoms. \$500 and \$1,000. Date Aug. 17 1916. Int. F. & A. Due Aug. 17 1941.

**TONAWANDA (Town), Erie County, N. Y.—BOND OFFERING.**—Proposals will be received until 10 a. m. Oct. 24 by R. A. Toms, Town Supervisor, (2770 Delaware Ave., Kenmore) for \$9,420 50 5% reg. Riverside Water Dist. bonds. Denom. 1 for \$420 50, 18 for \$500. Date Nov. 1

1916. Int. M. & N. Due one bond yrly. beginning Nov. 1 1917. Cert. check for 2% of amount bid, payable to the Town Sup. required. Bonded debt \$134,000, floating debt \$10,000, assess. val. over \$7,600,000.

**TRUMBULL COUNTY (P. O. Warren), Ohio.—BOND SALE.**—The Niles Trust Co. of Niles recently purchased at \$6,588 (101.353) an issue of \$6,500 5% bridge bonds. Denom. \$500. Int. A. & O. Due from 1918 to 1920.

**URBANA, Champaign County, Ohio.—BOND OFFERING.**—Proposals will be received until 7 p. m. Oct. 30 by H. M. Crow, City Auditor, for the following 5% street-improvement assessment bonds:  
\$13,000 bonds. Denom. 20 for \$500, 10 for \$300. Due \$1,300 yearly on Sept. 15 from 1917 to 1926, inclusive.  
17,500 bonds. Denom. 30 for \$500, 10 for \$250. Due \$1,750 yearly on Sept. 15 from 1917 to 1926, inclusive.

Auth. Sec. 3914, Gen. Code. Date Sept. 15 1916. Int. M. & S. Certified check for 5% of bonds bid for, payable to the City Treasurer, required. Bonds to be delivered and paid for within ten days from time of award. Purchaser to pay accrued interest.

**VASSAR, Tuscola County, Mich.—BONDS VOTED.**—Reports state that at a recent election the proposition to issue \$25,000 water and light plant impt. bonds carried by a vote of 209 to 44.

**VERNON, Wilbarger County, Tex.—BOND SALE.**—The Security Savings Bank & Trust Co. of Toledo was awarded on Sept. 30 \$25,000 school, \$12,000 water-works, \$3,000 sewer and \$14,000 street-impt. 5% bonds. Denom. \$500. Date Aug. 1 1916. Int. F. & A. Due Aug. 1 1956, subject to call Aug. 1 1926.

**WALLER COUNTY (P. O. Hempstead), Tex.—BOND SALE.**—The Midland Bridge Co. was awarded on Aug. 19 the \$25,000 5% 10-40-year (opt.) road and bridge impt. bonds (V. 103, p. 605) at par and int. Denom. \$1,000. Date Aug. 19 1916. Int. F. & A.

**WALLA WALLA, Walla Walla County, Wash.—BOND ELECTION.**—The question of issuing \$338,000 funding bonds will be submitted to a vote, it is stated, on Nov. 7.

**WARMSPRINGS IRRIGATION DISTRICT (P. O. Vale), Malheur County, Ore.—BIDS REJECTED.**—All bids received for the \$390,000 gold coupon irrigation-system bonds offered at not exceeding 6% interest on Oct. 2 (V. 103, p. 962), were rejected.

**WARREN, Trumbull County, Ohio.—BOND SALE.**—On Oct. 7 the eight issues of 4½% street bonds, aggregating \$123,050—V. 103, p. 962—were awarded to the Fifth-Third Nat. Bank of Cincin. for \$124,728 65, equal to 101.364. Other bidders and their premium bids were:  
Weil, Roth & Co. \$1,620 75 Hayden, Miller & Co. \$1,240 00  
Seasongood & Mayer 1,502 50 Cummings, Prudden & Co. 1,051 00  
Breed, Elliott & Harrison 1,361 44 Stacy & Braun 622 25  
Ohio National Bank 1,265 75 Tillotson & Wolcott Co. 583 31

**BOND OFFERING.**—Geo. T. Hecklinger, City Aud., will receive bids until 12 m. Nov. 11 for \$38,000 4½% street-impt. city's share bonds. Denom. \$500. Date Sept. 1 1916. Int. M. & S. Due \$5,000 Sept. 1 1933 to 1936 incl. and \$9,000 Sept. 1 1937 and 1938. Cert. check for \$500, payable to the City Treas., required. Bonds to be delivered and paid for within 5 days from time of award. Purchaser to pay accrued interest.

**WASHBURN, Bayfield County, Wis.—BONDS PROPOSED.**—An ordinance providing for the issuance of \$20,000 4½% coupon street-impt. (city's share) bonds will come up for consideration and passage at the meeting of the Common Council on Nov. 7. Denom. \$500. Date Nov. 1 1916. Principal and semi-annual interest (M. & N.) payable at the Continental & Commercial National Bank, Chicago. Due \$1,000 yearly Nov. 1 from 1917 to 1936, inclusive. L. N. Clausen is City Clerk.

**WASHINGTON COUNTY (P. O. Salem), Ind.—BOND OFFERING.**—Bids will be received until 1:30 p. m. Oct. 16 by Otto C. Zink, Co. Treas., for \$7,734 4½% 5 1-3-year aver. Bailey Barnett et al. road bonds in Monroe Twp. Denom. \$386 70. Date Oct. 2 1916. Int. M. & N. Due \$386 70 each six months from May 15 1917 to Nov. 15 1926 incl.

**WATERVILLE, Kennebec County, Me.—BOND SALE.**—On Oct. 10 the \$12,000 4% 20 yr. street bonds—V. 103, p. 1343—were awarded, to the Biddeford Savings Bank at 103.625, and int., a basis of about 3.74%.

The other bidders were:  
Maynard S. Bird & Co. 103.03 Lee, Higginson & Co. 101.97  
Bangor Savings Bank 102.83 E. H. Rollins & Sons 101.828  
Fidelity Trust Co. 102.812 Waterville Savings Bank 101.75  
Cropley, McGaragle & Co. 102.812 Hayden, Stone & Co. 101.735  
W. L. Raymond & Co. 102.77 Hornblower & Weeks 101.65  
Harris, Forbes & Co. 102.74 Arthur Perry & Co. 101.533  
Geo. A. Fernald & Co. 102.08 Burgess, Lang & Co. 101.52  
William H. Fenn Estate 102 Blodget & Co. 100.02

**WAYNE SCHOOL TOWNSHIP (P. O. Union City), Randolph County, Ind.—BOND OFFERING.**—Proposals will be received until 1 p. m. Oct. 30 by John M. Shockney, Twp. Trustee, for \$20,000 4% school bonds. Denom. \$500. Int. M. & N. Due \$1,500 yrly. on Nov. 1 from 1917 to 1928 incl. and \$2,000 Nov. 1 1929. Successful bidder must furnish bonds.

**WAYNESBORO, Franklin County, Pa.—BOND ELECTION.**—A proposition providing for the issuance of \$100,000 bonds will be submitted to the voters on Nov. 7, it is said.

**WAYNESFIELD, Auglaize County, Ohio.—BOND SALE.**—The bid of Tillotson & Wolcott Co. \$16,415 44 (100.708) and int.—has been accepted for the \$16,300 5% street bonds which were offered on Sept. 18—V. 103, p. 1148. Other bids were:  
Spitzer, Rorick & Co. \$16,398 00 Sidney Spitzer & Co. 16,368 50  
Durfee, Niles & Co. 16,391 60 Otis & Co. \$16,320 00  
W. L. Slayton & Co. 16,376 61

**WAYNOKA, Woods County, Okla.—PURCHASER OF BONDS.**—The purchasers of the \$50,000 6% 25-year coupon tax-free city-hall, water works and electric light bonds recently sold at par (V. 103, p. 1343) were R. J. Edwards and Geo. W. & J. E. Piersol of Oklahoma City. Denom. \$1,000. Date Sept. 1 1916. Int. M. & S.

**WELLSBURG, Brooke County, W. Va.—BOND OFFERING.**—Sealed proposals will be received until 7:30 p. m. Oct. 17 by J. F. Thompson, City Clerk, for the following 5% bonds:  
\$5,000 10-yr. fire-department bonds, dated Nov. 1 1916.  
43,000 10-34-year (opt.) sewer-construction bonds dated Nov. 2 1916.  
Denom. \$500. Int. annual. Cert. check for 2½% of amount of the bid required. Purchaser to pay accrued interest.

**WHITE COUNTY (P. O. Monticello), Ind.—BOND OFFERING.**—O. C. Middlestadt, Co. Treas., will receive bids until 10 a. m. Oct. 28 for an issue of \$7,000 4½% 5 1-3-year aver. C. W. Baker road bonds in Union Twp. Denom. \$350. Date Oct. 3 1916. Int. M. & N. Due \$350 each six months from May 15 1917 to Nov. 15 1926 incl.

Bids will also be received until Oct. 28 by O. C. Middlestadt, Co. Treas., for the following 5% semi-ann. ditch bonds:  
\$5,084 60 Earnest Scipio et al. ditch bonds in Princeton Twp. Denom. 1 for \$884 60, 5 for \$840. Due \$884 60 Dec. 1 1917 and \$840 yearly on Dec. 1 from 1918 to 1922 incl.  
3,828 55 Frank J. White ditch bonds in Liberty Twp. Denom. 1 for \$628 55 and 5 for \$640. Due \$628 55 Dec. 1 1917 and \$640 yearly on Dec. 1 from 1918 to 1922 incl.

**WILL COUNTY (P. O. Joliet), Ill.—BOND ELECTION.**—The question of issuing \$1,500,000 road bonds will, it is stated, be submitted to the voters on Nov. 7.

**WOODSFIELD VILLAGE SCHOOL DISTRICT (P. O. Woodsfield), Monroe County, Ohio.—BOND OFFERING.**—Proposals will be received until 3 p. m. Oct. 16 by F. W. Pollock, Clerk Bd. of Ed., for \$12,000 5% 20½-year aver. coup. school bonds. Auth. Secs. 7625, 7626 and 7627, Gen. Code. Denom. \$250. Date Oct. 16 1916. Int. M. & S. at First Nat. Bank Woodsfield. Due \$500 each six months from Sept. 1 1925 to Mar. 1 1949 incl. Cert. check for 5% of amount of bid, payable to the above Clerk, required. Bonds to be delivered and paid for within 10 days from time of award. Bonded debt, excl. this issue, Sept. 25 1916, \$76,000; sinking fund, \$6,000. Assess. val. 1916, \$2,052,078; total tax rate per \$1,000, \$15 30.

**WOODSTOCK, Pipestone County, Minn.—BOND OFFERING.**—Proposals will be received until 7:30 p. m. Oct. 17 by the Vil. Clerk for \$8,000 5½% coupon electric-light bonds. Denom. \$500. Date Oct. 25 1916. Due \$3,500 in 15 years and \$4,500 in 20 years. No deposit required. The village has no indebtedness. Assess. val. \$166,265.



**WOODWARD, Woodward County, Okla.—PURCHASER OF BONDS.**—The purchaser of the \$12,500 water-works-impt. and \$2,500 electric-light 5% 5-25-year (opt.) bonds recently sold at 100.05 (V. 103, p. 1149) was O. J. Edwards of Oklahoma City. Date Oct. 1 1916. Int. A. & Q.

**YATES CENTER, Woodson County, Kans.—BOND SALE.**—The Commerce Trust Co. of Kansas City was awarded at par on May 25 an issue of \$22,000 4½% 5-20-yr. (opt.) refunding railroad bonds. Denom. \$1,000. Date July 1 1916. Int. J. & J.

**YOUNGSTOWN, Ohio.—BOND SALE.**—Bids for the four issues of 4½% and 5% bonds, aggregating \$193,700, offered on Oct. 9, were as follows (V. 103, p. 1061):

	Bonds.a	Bonds.b	Bonds.c	Bonds.d
Seasongood & Mayer	\$3,700 00	\$79,000 00	\$11,000 00	\$100,000 00
Mahoning Sav. & Trust Co.	\$3,736 00	\$80,899 00	\$11,199 00	\$102,160 00
Edward Lowber Stokes				*103,200 00
R. L. Day & Co.	3,757 72	*81,464 80	11,195 80	103,060 00
Spitzer, Rorick & Co.		81,205 00	11,234 50	102,621 00
Cummings, Prudden & Co.		80,999 00	11,302 00	102,380 00
Well, Roth & Co.		81,072 50		102,620 00
Policemen's Pension Fund			*11,368 50	
City Trust & Savings Bank	3,749 00		11,200 00	
Prov. S. B. & Trust Co.	3,763 64	81,164 60	11,224 40	102,540 00
Fifth-Third Nat. Bank	3,737 37	80,720 00	11,173 80	101,820 00
Ohio Nat. Bank, Columbus	3,753 48	80,925 08	11,169 00	101,915 80
A. E. Aub & Co.	3,756 00	81,260 00	11,245 00	102,875 00
Otis & Co.	3,757 00	81,275 00	11,220 00	102,820 00
Hayden, Miller & Co.	3,753 00	80,555 00	11,187 00	102,250 00
Farson, Son & Co.	*3,799 58	81,458 53	11,299 15	102,684 40
E. H. Rollins & Son				102,768 00
Harris, Forbes & Co.		79,861 29	11,062 81	102,601 00
C. E. Denison & Co.				102,543 00
Tillotson & Wolcott Co.	3,700 00	80,735 60	11,216 60	102,080 00
A. B. Leach & Co.				102,860 00
Wm. R. Compton Co.	3,777 84	81,195 69	11,246 50	102,665 10
Rudolph Kelybolte Co.				102,365 00
Sidney Spitzer & Co.	3,729 60	81,188 40	11,250 90	102,370 00
Stacy & Braun	3,774 00	80,754 32	11,234 70	102,148 00
Commercial Nat. Bank			11,255 00	

a Ridge Ave. and Knox St. walls bonds. b Youngstown & Southern District Sewer bonds. c City's portion of Improvement. d City Water Works Extension. \* Winning bid.

## Canada, its Provinces and Municipalities.

**AYLMER, Que.—DEBENTURE SALE.**—On Sept. 27 the \$45,000 5½% 30-yr. gold filtration plant installation debentures were awarded to Credit-Canada, Ltd. of Montreal. Date Nov. 1 1916.

**BROCKVILLE, Ont.—DEBENTURES AUTHORIZED.**—Reports state that the Council passed a by-law on Sept. 11 providing for the issuance of \$3,500 school debentures.

**GALT, Ont.—DEBENTURE SALE.**—Dispatches state that an issue of \$12,902 5½% 20-installment debentures was purchased on Oct. 3 by the Canada Bond Corp. of Toronto at \$13,206 41, equal to 102.35.

**GRAND MERE, Que.—PRICE PAID FOR DEBENTURES.**—We are advised that the price paid for the \$100,000 5½% 30-yr. debentures awarded to Rene T. Leclerc of Montreal on Sept. 27, was 91.63, see V. 103, p. 1344.

**HERBERT, Sask.—DEBENTURE OFFERING.**—G. L. Wheatley, Town Clerk, will receive bids until 12 m. Oct. 23 for the following 6½% debentures: \$2,000 drainage and grading debentures. Due in 10 equal ann. installments of principal and interest. 800 sidewalk debentures. Due in 7 equal ann. installments of principal and interest.

**KITCHEN ER, Ont.—DEBENTURE SALE.**—On Sept. 28, \$9,300 30 installment and \$7,200 15-installment 5½% debentures were awarded, reports state, to the Imperial Bank at 101.28.

**MELITA, Man.—DEBENTURES NOT SOLD.**—No sale has yet been made of the \$12,000 6% 25-installment fire apparatus debentures offered on Sept. 1, it is said.—V. 103, p. 779.

**NEW GLASGOW, N. S.—DEBENTURE OFFERING.**—James Roy, Town Clerk, will receive bids until 12 m. Oct. 24 for \$100,000 5% 42-yr. water-works debentures. Date Nov. 1 1916. Int. M. & N., payable in Halifax or New Glasgow.

**NIAGARA FALLS, Ont.—DEBENTURES AUTHORIZED.**—The Council on Oct. 2 passed a by-law providing for the issuance of \$11,485 electric-plant-extension debentures, it is said.

**OAKVILLE, Ont.—DEBENTURE SALE.**—Reports state that the Canada Bond Corp., Ltd. of Toronto, recently purchased \$1,603 3-installment and \$4,420 20-installment 5½% debentures, it is said.

**OXHAW, Sask.—DEBENTURE SALE.**—According to reports, W. L. McKinnon & Co. recently purchased an issue of \$16,000 6% 20-installment debentures.

**RADVILLE, Sask.—DEBENTURE SALE.**—An issue of \$6,500 7% 10-installment debentures has been sold to W. L. McKinnon & Co. of Toronto, it is reported.

**REDCLIFFE, Alta.—DEBENTURE SALE.**—On Oct. 3 an issue of \$25,000 6% debentures maturing in 1934 was awarded to H. O'Hara & Co. of Toronto, it is said.

**SASKATCHEWAN SCHOOL DISTRICTS, DEBENTURE SALES.**—The following school district debentures, aggregating \$10,300, are reported as being sold from Sept. 18 to Sept. 22:

\$1,900 Sauntner School District | \$4,500 Bangor School District  
900 Avon School District | 3,000 Lumsden R. M. Sch. Dist.

**THE PAS, Man.—DEBENTURE SALE.**—On Sept. 30 an issue of \$12,000 5% 20-yr. debentures was awarded it is stated, to A. E. Ames & Co. of Toronto.

**WELLAND COUNTY (P. O. Welland), Ont.—DEBENTURES PROPOSED.**—Reports state that a special meeting of the Council has been called for Oct. 20 to consider the issuance of \$52,000 road debentures.

**WINNIPEG BEACH SCHOOL DISTRICT, Man.—DEBENTURE SALE.**—Reports state that on Sept. 28 an issue of \$3,500 6% 10-installment school debentures was awarded to J. A. Thompson of Winnipeg at 98.75.

**YORK TOWNSHIP, Ont.—DEBENTURE SALE.**—Newspaper reports state that Aemilius Jarvis & Co. of Toronto recently purchased at 101.54 an issue of \$4,000 5½% 20-installment debentures.

## NEW LOANS.

**\$250,000**

### Red River, Atchafalaya and Bayou Boeuf Levee District

**5% 30 Year Serial Bonds**

Sealed bids will be received by the undersigned at his office in the Commercial Bank Building, Alexandria, Louisiana, until 8 o'clock p. m. on **NOVEMBER 10, 1916**, for the purchase of all or any part of an issue of 5% coupon Levee Bonds of the Red River, Atchafalaya and Bayou Boeuf Levee District, of Louisiana, the amount of which issue is \$250,000.

Dated August 1st, 1916. Interest payable semi-annually on the 1st of August and February of each year, and principal and interest payable at the office of the State Treasurer at Baton Rouge, Louisiana. Denominations \$1,000 each. Maturing serially \$10,000 five years after date and \$10,000 each year thereafter for a period of twenty-five years.

The legality of bonds examined by Messrs. Caldwell & Masslich, of New York City, whose opinion approving the validity of said bonds, payable principal and interest from taxes as authorized in and limited by the constitution and laws of the State of Louisiana, will be furnished to the purchaser without charge.

All bids must be on blank forms which, together with additional information, will be furnished by the undersigned or said attorneys. All bids must be accompanied by a certified check upon a solvent bank or trust company, payable to E. G. Richard, President, for 2 per cent of the par value of the bonds bid for.

The right to reject any and all bids is reserved. Bonds to be engraved by purchaser.

HOWARD B. GIST,  
Secretary, Board of Commissioners for  
the Red River, Atchafalaya & Bayou  
Boeuf Levee District.  
Alexandria, Louisiana, October 5, 1916.

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**CAPITAL AND SURPLUS - \$8,500,000**

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Chartered 1836

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Acts as  
Executor,  
Trustee,  
Administrator,  
Guardian,  
Receiver  
Registrar and  
Transfer Agent.

Interest allowed  
on deposits.



## Financial

## ATLANTIC MUTUAL INSURANCE COMPANY

New York, January 26th, 1916.  
The Trustees, in conformity with the Charter of the Company, submit the following statement of its affairs on the 31st of December, 1915.

The Company's business has been confined to marine and inland transportation insurance.  
Premiums on such risks from the 1st January, 1915, to the 31st December, 1915.....\$6,153,863 63  
Premiums on Policies not marked off 1st January, 1915.....993,965 13

Total Premiums.....\$7,147,831 50

Premiums marked off from January 1st, 1915, to December 31st, 1915.....\$6,244,127 90

Interest on the investments of the Company received during the year \$328,970 78

Interest on Deposits in Banks and Trust Companies, etc.....75,237 08

Rent received less Taxes and Expenses.....97,835,23 \$502,043 09

Losses paid during the year.....\$2,233,703 62

Less: Salvages.....\$205,247 59

Re-insurances.....448,602 85\$ 653,850 44

Re-insurance Premiums and Returns of Premiums.....\$1,579,853 18

Expenses, including compensation of officers and clerks, taxes, stationery, advertisements, etc.....\$1,076,516 36

By order of the Board, G. STANTON FLOYD-JONES, Secretary.

A dividend of interest of Six per cent on the outstanding certificates of profits will be paid to the holders thereof, or their legal representatives, on and after Tuesday the first of February next.

The outstanding certificates of the issue of 1910 will be redeemed and paid to the holders thereof, or their legal representatives, on and after Tuesday the first of February next, from which date interest thereon will cease. The certificates to be produced at the time of payment, and canceled.

A dividend of Forty per cent is declared on the earned premiums of the Company for the year ending 31st December, 1915, which are entitled to participate in dividend, for which, upon application, certificates will be issued on and after Tuesday the second of March next.

By order of the Board, G. STANTON FLOYD-JONES, Secretary.

**TRUSTEES.**  
EDMUND L. BAYLIES, ANSON W. HARD, DALLAS B. PRATT,  
JOHN N. BEACH, SAMUEL T. HUBBARD, ANTON A. RAVEN,  
NICHOLAS BIDDLE, LEWIS CASS LEDYARD, JOHN J. RIKER,  
ERNEST C. BLISS, WILLIAM H. LEFFERTS, DOUGLAS ROBINSON,  
JAMES BROWN, CHARLES D. LEVERICH, WILLIAM JAY SCHIEFFELIN,  
JOHN CLAPLIN, GEORGE H. MACY, SAMUEL SLOAN,  
GEORGE C. CLARK, NICHOLAS F. PALMER, LOUIS STERN,  
CLEVELAND H. DODGE, HENRY PARISH, WILLIAM A. STREET,  
CORNELIUS ELDERT, WALTER WOOD PARSONS, ADOLF PAVENSTEDT,  
RICHARD H. EWART, CHARLES A. PEABODY, GEORGE E. TURNURE,  
G. STANTON FLOYD-JONES, JAMES H. POST, GEORGE C. VAN TUYL, Jr.,  
PHILIP A. S. FRANKLIN, CHARLES M. PRATT, RICHARD H. WILLIAMS.

A. A. RAVEN, Chairman of the Board.  
CORNELIUS ELDERT, President.  
WALTER WOOD PARSONS, Vice-President.  
CHARLES E. FAY, 2d Vice-President.

ASSETS.		LIABILITIES.	
United States and State of New York Bonds.....	\$ 670,000 00	Estimated Losses, and Losses Unsettled in process of Adjustment.....	\$ 3,117,101 60
New York City, New York Trust Companies and Bank Stocks.....	1,733,700 00	Premiums on Unterminated Risks.....	903,703 66
Stocks and Bonds of Railroads.....	2,832,463 65	Certificates of Profits and Interest Unpaid.....	273,120 06
Other Securities.....	386,185 00	Return Premiums Unpaid.....	108,898 55
Special Deposits in Banks and Trust Companies.....	2,000,000 00	Reserve for Taxes.....	76,262 12
Real Estate cor. Wall and William Streets and Exchange Place, containing offices.....	4,299,426 04	Re-insurance Premiums on Terminated Risks.....	215,595 72
Real Estate on Staten Island (held under provisions of Chapter 481, Laws of 1887).....	75,000 00	Claims not Settled, including Compensation, etc.....	113,375 79
Premium Notes.....	660,314 60	Certificates of Profits Ordered Redeemed, Withheld for Unpaid Premiums.....	22,557 84
Bills Receivable.....	788,575 31	Income Tax Withheld at the Source.....	1,230 20
Cash in hands of European Bankers to pay losses under policies payable in foreign countries.....	256,610 85	Suspense Account.....	5,829 76
Cash in Bank.....	1,695,488 03	Certificates of Profits Outstanding.....	7,187,376 66
Loans.....	135,000 00		
	\$15,582,763 48		\$12,025,609 89

Thus leaving a balance of.....\$3,557,153 66  
Accrued Interest on the 31st day of December, 1915, amounted to.....\$ 40,522 06  
Rents due and accrued on the 31st day of December, 1915, amounted to.....\$ 25,568 11  
Re-insurance due or accrued, in companies authorized in New York, on the 31st day of December, 1915, amounted to.....\$ 172,327 70  
Note: The Insurance Department has estimated the value of the Real Estate corner Wall and William Streets and Exchange Place in excess of the Book Value given above at.....\$ 450,573 16  
And the property at Staten Island in excess of the Book Value, at.....\$ 63,700 00  
The Insurance Department's valuation of Stocks, Bonds and other Securities exceeds the Company's valuation by.....\$1,727,337 26  
On the basis of these increased valuations the balance would be.....\$6,037,250 80

MELLON NATIONAL BANK  
PITTSBURGH, PA.

STATEMENT OF CONDITION AT THE CLOSE OF BUSINESS SEPT. 12, 1916

RESOURCES		LIABILITIES	
Loans, Bonds and Investment Securities.....	\$73,415,719 12	Capital.....	\$6,000,000 00
Overdrafts.....	4 07	Surplus and Undivided Profits.....	3,630,858 32
Cash.....	6,385,566 03	Reserved for Depreciation, &c.....	350,361 91
Due from Banks.....	17,157,671 47	Circulating Notes.....	3,390,597 50
	\$96,958,960 69	Deposits.....	83,587,142 96
			\$96,958,960 69

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We own and offer, Subject to Prior Sale:

City of New Orleans Public Impt. 4s	1950 Yield	4.40%
City of Shreveport, Louisiana 4 3/4s Serial	"	4.30%
Caddo Parish, La., S. D. No. 1 5s	"	4.30%
Coahoma County, Mississippi 5s	"	4.35-4.40%
City of Canton, Miss. 5s	"	4.60%

Price and full circular upon request

BOND DEPARTMENT

HIBERNIA BANK & TRUST CO.  
NEW ORLEANS

## Financial

\$250,000

Terminal R.R. Assn.  
of St. Louis

Refunding 4s,

Price on Application

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Capital, Surplus and Profits  
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COAL AND MINERAL PROPERTIES

Examined, Managed, Appraised

Bronx Bldg.

PHILADELPHIA

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CAPITAL, \$1,000,000 SURPLUS, \$2,000,000

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Corporations and Individuals.

Also acts as Trustee under Mortgages and as  
Transfer Agent and Registrar of Stocks and Bonds  
Interest Allowed on Deposits Subject to Check

OFFICERS

JAMES R. HOOPER, President  
ARTHUR ADAMS, Vice-President  
ALEXANDER COCHRANE, Vice-Pres.  
FREDERICK P. FISH, Vice-President  
FRED'K W. ALLEN, Treasurer  
HENRY N. MARR, Secretary  
THOMAS E. EATON, Asst. Treas.  
EDWARD B. LADD, Asst. Treas.  
ORRIN C. HART, Trust Officer  
ARTHUR F. THOMAS, A't Tr. Office'r  
R. B. GAGE, Mgr. Safe Dep. Vault.

BOARD OF DIRECTORS

George Wigglesworth, Chairman  
Arthur Adams Morris Gray  
Alfred Bowditch Franklin W. Hobbs  
J. D. Cameron Bradley James R. Hooper  
S. Parker Bremer David P. Kimball  
Timothy E. Byrnes Robert A. Leeson  
Alexander Cochrane Ernest Lovering  
George H. Davenport Walworth Pierce  
Philip Dexter James M. Prendergast  
Francis W. Fabyan Henry H. Proctor  
William Farnsworth Herbert M. Sears  
Frederick P. Fish Henry L. Shattuck  
Frank H. Gage Eugene V. R. Thayer

**CENTRAL  
TRUST COMPANY  
OF ILLINOIS**

125 West Monroe St., CHICAGO

Capital, Surplus & Profits \$6,500,000

Deposits - - - 45,000,000

Accounts of banks and bankers  
received upon favorable terms

Thoroughly equipped to handle all business  
pertaining to banking, and invites the  
accounts of banks, corporations, firms and  
individuals.

**Rhode  
Hospital T**

Pro

CAPITAL  
SURPLUS

HERBERT J.  
HORATIO A.  
PRESTON H.  
THOMAS H.  
WILLIAM A.  
HENRY L.  
JOHN H.  
JOHN E.  
G. A. HAN  
HENRY  
ERNEST  
GEORGE  
RALPH

Edward D. Pearce,  
Herbert J. Wells,  
Lyman B. Goff,  
Rowland G. Hazard,  
Samuel R. Dorrance,  
Howard O. Sturges,  
Stephen O. Metcalf,  
Walter E. Callender,  
Edward Holbrook,  
James E. Sullivan,  
Benjamin M. Jackson.

W.  
Fra  
Rob  
Hen  
Isaac  
Charles  
Alfred  
William  
Frank H.

1850

**The United States L  
Insurance Co.**

IN THE CITY OF NEW YORK

Issues Guaranteed Contracts.

JOHN P. MUNN, M. D., PRESIDENT.

Finance Committee.

CLARENCE H. KELSEY, Pres. Title Gu. & Tr Co.

WILLIAM H. PORTER, Banker.

ED. TOWNSEND, Pres. Imp. & Trad. Nat. Bank

Good men, whether experienced in life insurance  
or not, may make direct contracts with this Com-  
pany, for a limited territory, if desired, and secure  
for themselves, in addition to first year's commis-  
sion, a renewal interest insuring an income for the  
future. Address the Company at its Home Office  
No. 277 Broadway, New York City.

CHARTERED 1853

**United States Trust Company of New York**

45-47 WALL STREET

Capital, . . . . . \$2,000,000.00

Surplus and Undivided Profits . \$14,664,211.00

This Company acts as Executor, Administrator, Guardian, Trustee, Court  
Depositary and in other recognized trust capacities.

It allows interest at current rates on deposits.

It holds, manages and invests money, securities and other property, real or  
personal, for estates, corporations and individuals.

EDWARD W. SHELDON, President

WILLIAM M. KINGSLEY, Vice-President

WILFRED J. WORCESTER, Secretary

WILLIAMSON PELL, Asst. Secretary

CHARLES A. EDWARDS, 2d Asst. Sec'y

TRUSTEES

JOHN A. STEWART, Chairman of the Board

WILLIAM ROCKEFELLER

EDWARD W. SHELDON

OGDEN MILLS

FRANK LYMAN

CHAUNCEY KEEP

CORNELIUS N. BLISS JR

JAMES STILLMAN

GEORGE L. RIVES

HENRY W. de FOREST

JOHN J. PHELPS

ARTHUR CURTISS JAMES

WILLIAM VINCENT ASTOR

LEWIS CASS LEDYARD

WILLIAM M. KINGSLEY

CHARLES F. HOFFMAN

LYMAN J. GAGE

WILLIAM STEWART TOD

WILLIAM SLOANE

PAYNE WHITNEY

**L. F. DOMMERICH & CO.**

FINANCE ACCOUNTS OF MANUFACTURERS AND  
MERCHANTS DISCOUNT AND GUARANTEE SALES

General Offices, 254 Fourth Avenue  
NEW YORK

Established over 60 Years



## Financial

**BARRELL & CO.**10 St. 74 Broadway  
NEW YORK—BONDS  
—PROVISIONS  
—FREEExchange  
Coffee Exchange  
Produce Exchange  
Exchange  
Merchants' Exchange  
City Board of Trade  
Board of Commerce  
Board of Trade  
Winnipeg Grain Exchange**ERSZ & COMPANY**Negotiate and Issue Loans for Railroads  
and Established Corporations.  
Buy and Sell Bonds suitable for investment.

134 So. La Salle Street CHICAGO

**FIRST NATIONAL BANK**  
RICHMOND, VIRGINIA

Capital and Surplus, - \$3,000,000

John B. Purcell, Pres. Jno. M. Miller Jr., V.-P.  
W. M. Addison, Cashier.  
Correspondence Invited.82% Of the Banks in  
New York City use  
**NATIONAL SAFETY PAPER**  
FOR THEIR CHECKS**George La Monte & Son**

61 Broadway New York

## Cotton

Established in 1856.

**Henry Hentz & Co.**

COMMISSION MERCHANTS

16 to 22 William Street, New York

Execute Orders for Future Delivery

## COTTON

At the New York, Liverpool and New Orleans

Cotton Exchanges. Also orders for

COFFEE AND SUGAR

At the New York Coffee Exchange.

GRAIN AND PROVISIONS

At the Chicago Board of Trade, and

COTTON-SEED OIL

At the New York Produce Exchange.

**Hubbard Bros. & Co.**

COFFEE EXCHANGE BUILDING.

HANOVER SQUARE

NEW YORK

COTTON MERCHANTS

Liberal Advances Made on Cotton  
Consignments.**Hopkins, Dwight & Co.**

COTTON

and

COTTON-SEED OIL.

COMMISSION MERCHANTS!

Room 52, Cotton Exchange Building.  
NEW YORK.

LEHMAN, STERN &amp; CO., Limited, New Orleans

**LEHMAN BROS.**

Nos. 16-22 William Street, New York.

Members of the Stock, Cotton, Coffee  
and Produce Exchanges, New York.Orders executed on the above Exchanges, as well  
as in New Orleans, Chicago and foreign markets.

National City Bank Stock

**Seasongood & Haas**

7 Wall Street

New York

## Financial

We recommend for investment—

Armour & Co. 1st 4½s, 1939  
Public Serv. Co. of Nor. Ill. 5s, 1956  
United Kingdom 5% notes, 1918  
Southern Cos. Gas Co. 5½s, 1936  
Kentucky Lt & Pow. Co. 6s, 1931  
Wilson & Co. 1st 6s, 1941**Stanwood, Taylor & Company**

111 W. Monroe St., Chicago

**U. S. Government Bonds**and  
Investment Securities**C. F. Childs & Company**

CAPITAL, \$500,000

208 So. La Salle St.,  
CHICAGO120 Broadway  
NEW YORK**YARD, OTIS & TAYLOR**

INVESTMENT BANKERS

105 South La Salle Street  
CHICAGO.Municipal, Railroad and Public  
Utility Bonds.**H. C. Speer & Sons Co.**

Established 1885

County, City, School and Drainage  
Bonds

Bought and Sold

First National Bank Building Chicago, Ill.

**W. G. SOUDERS & CO.**

INVESTMENT BONDS

DETROIT

MILWAUKEE

308 South La Salle Street  
CHICAGO**CHAS. S. KIDDER & CO.**MUNICIPAL BONDS  
SEASONED GAS BONDS

108 So. La Salle Street

CHICAGO

Established 1898

**DEVITT, TREMBLE & CO.**

INVESTMENT BONDS

FIRST NATIONAL BANK BLDG.,  
CHICAGO

PHILADELPHIA

DETROIT

**Elston & Company**MUNICIPAL  
GAS AND ELECTRIC BONDS

ST. LOUIS

LOUISVILLE

39 South La Salle Street  
CHICAGO

## Financial

Chicago Junction Railroad 4s  
Pacific Power & Light Co. 5s  
Wilson & Co., Inc., 6s  
Bruns.-Balke-Coll. 7% pfd. Stk.  
Utah Power & Light 7% Pf.Stk.**AMES, EMERICH & CO.**

105 So. La Salle Street CHICAGO

German, Austrian, Hungarian  
and other  
Foreign Government BondsCHICAGO REAL ESTATE  
6% First Mortgage Bonds**Wollenberger & Co.**

INVESTMENT BANKERS

105 So. La Salle St., Chicago

**F. H. PRINCE & CO.**  
BANKERS

BOSTON, MASS.

HIGH-GRADE INVESTMENTS

Members of New York &amp; Boston Stock Exchange

**EMERY, PECK & ROCKWOOD**409-412 Continental & Commercial Bank Bldg.  
CHICAGO

INVESTMENT BONDS

[Established 1863.]

**W. T. HATCH & SONS**

71 Broadway, - New York

MEMBERS OF  
NEW YORK STOCK EXCHANGE**Dominick & Dominick**

Established 1870

115 BROADWAY

Dealers in

INVESTMENT SECURITIES

Members New York Stock Exchange.

**C. W. ANDERSON & CO.**

39 S. LA SALLE ST., CHICAGO

Dealers in Investment Securities  
issued by established Corporations



TWO SECTIONS—SECTION TWO

OCT 16 1916  
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# The Commercial & Financial Chronicle

## AMERICAN BANKERS' CONVENTION SECTION

GIVING PROCEEDINGS OF THE

Convention of American Bankers' Association

Held at Kansas City, September 26, 27, 28 and 29, 1916

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October 14, 1916

WILLIAM B. DANA COMPANY, PUBLISHERS,

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# GIRARD TRUST COMPANY

PHILADELPHIA, PA.

CHARTERED 1836

**CAPITAL AND SURPLUS, \$10,000,000**

**Acts as Executor, Trustee, Guardian, Administrator, Assignee  
and Receiver, also as Depositary under Plans of  
Reorganization, and as Financial Agent  
for Individuals or Corporations.**

**Assumes entire charge of Real Estate. Allows Interest on  
Deposits, and Rents Safes in Burglar-Proof Vaults.**

**E. B. MORRIS, President**

1812

1916

## THE PENNSYLVANIA COMPANY

**for Insurances on Lives and Granting Annuities**

**TRUST AND SAFE DEPOSIT COMPANY**

---

Capital and Surplus	-	-	-	-	\$6,500,000
---------------------	---	---	---	---	-------------

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**C. S. W. PACKARD, President**

**BROAD STREET OFFICE**  
**Chestnut and Juniper Streets**

**517 Chestnut Street**  
**Philadelphia**



# Wm. A. Read & Co.

Nassau & Cedar Streets

New York

United States and Canadian Municipal  
Bonds, Railroad Bonds and other  
Investment Securities. List of Current  
Offerings upon application

CHICAGO	PHILADELPHIA	BOSTON	LONDON, E.C.
234 So. La Salle Street	1421 Chestnut Street	19 Congress Street	6 Austin Friars

## THE CHASE NATIONAL BANK

OF THE CITY OF NEW YORK

57 Broadway

UNITED STATES DEPOSITORY

Capital	-	-	-	-	-	-	-	\$10,000,000
Surplus and Profits (Earned)	-	-	-	-	-	-	-	10,982,350
Deposits	-	-	-	-	-	-	-	242,081,700

### OFFICERS

A. BARTON HEPBURN, Chairman

ALBERT H. WIGGIN, President

SAMUEL H. MILLER, Vice President  
EDWARD R. TINKER, Vice President  
CARL J. SCHMIDLAPP, Vice President  
ALFRED C. ANDREWS, Cashier  
CHARLES C. SLADE, Asst. Cashier

EDWIN A. LEE, Asst. Cashier  
WILLIAM E. PURDY, Asst. Cashier  
CHARLES D. SMITH, Asst. Cashier  
WILLIAM P. HOLLY, Asst. Cashier  
GEORGE H. SAYLER, Asst. Cashier

M. HADDEN HOWELL, Asst. Cashier

### DIRECTORS

HENRY W. CANNON  
A. BARTON HEPBURN  
ALBERT H. WIGGIN  
FRANCIS L. HINE  
JOHN J. MITCHELL

GUY E. TRIPP  
JAMES N. HILL  
DANIEL C. JACKLING  
FRANK A. SAYLES  
CHARLES M. SCHWAB

### We Receive Accounts of

Banks, Bankers, Corporations, Firms or Individuals on favorable terms, and shall be pleased to meet or correspond with those who contemplate making changes or opening new accounts.

FOREIGN EXCHANGE DEPARTMENT



# BROWN BROTHERS & CO.

59 Wall Street, NEW YORK

Fourth and Chestnut Streets  
PHILADELPHIA

60 State Street  
BOSTON

---

---

## INVESTMENT SECURITIES

Orders executed on commission in domestic and foreign markets

FOREIGN EXCHANGE

COMMERCIAL CREDITS

CABLE TRANSFERS

FOREIGN COLLECTIONS

Travelers Letters of Credit

## CERTIFICATES OF DEPOSIT

Accounts received, subject to check, on favorable  
terms in America and in England

---

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## BROWN, SHIPLEY & COMPANY

LONDON

Founders Court  
Lothbury, E. C.

Office for Travelers  
123 Pall Mall, S. W.

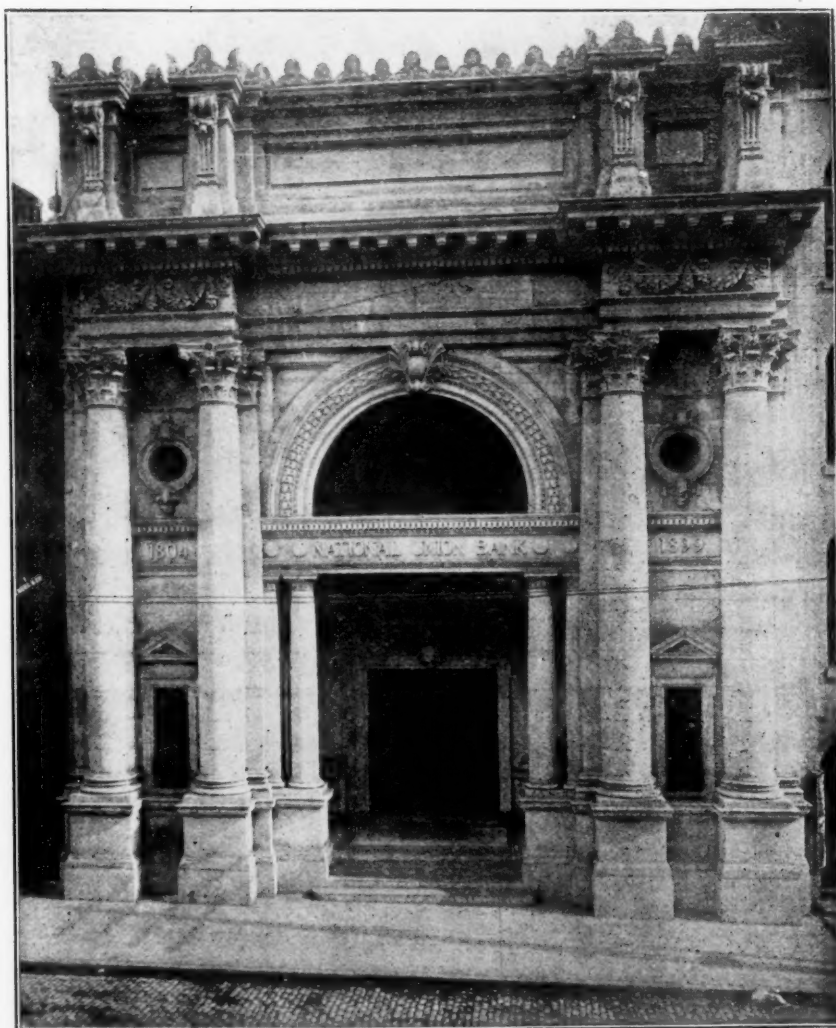


# THE NATIONAL UNION BANK OF MARYLAND

AT BALTIMORE, MARYLAND

Capital, \$1,000,000

Undivided Profits, \$667,113.86



WM. WINCHESTER, Chairman of the Board

PHILLIPS LEE GOLDSBOROUGH, President

S. STERETT McKIM, Cashier

## DIRECTORS

WM. WINCHESTER, Chairman of the Board.  
PHILLIPS LEE GOLDSBOROUGH, President.  
WM. A. MARBURG, Capitalist.  
H. CRAWFORD BLACK, President of the Black, Sheridan and Wilson Co., Wholesale Coal Dealers  
R. BRENT KEYSER, President Board of Trustees  
Johns Hopkins University.  
EDWIN G. BAETJER, of Venable, Baetjer & Howard, Attorneys-at-Law.

CLARENCE W. WATSON, former U. S. Senator from West Virginia.

S. STERETT McKIM, Cashier.

EDWARD P. GILL, of Wm. D. Gill & Son, Lumber Merchants.

R. CURZON HOFFMAN, JR., of R. C. Hoffman & Co., Iron, Steel and Railway Supplies.

## ACCOUNTS AND CORRESPONDENCE SOLICITED

Excellent connections for collecting items on Southern Atlantic Coast Cities and States, at rates depending upon balances maintained by correspondents with us.



# What the Bankers Trust Company Does

The Bankers Trust Company is serving many individuals, estates, corporations, banks and institutions in various capacities, for example:

Depository for funds  
Executor and trustee under will  
Administrator of estates  
Trustee under deed of trust  
Custodian of securities  
Escrow depository  
Guardian, committee, etc.  
Trustee under mortgage  
Trustee under trust indenture  
Agent for transfer of stock and bonds  
Registrar of stock, bonds and commercial paper  
Agent for payment of dividends, coupons and registered interest  
Depository under reorganization or adjustment agreements

## Foreign Banking Business

The Company also affords unsurpassed foreign exchange facilities. It issues dollar credits as well as credits in foreign moneys, to cover the importation and exportation of merchandise. It also accepts drafts upon it for its customers, payable at future dates, for domestic business as well as foreign. The Company buys and sells foreign exchange, receives foreign drafts for collection, issues commercial and tourist letters of credit.

The American Bankers Association Travelers Cheques ("A.B.A." Cheques), issued by thousands of banking institutions, are drawn upon the Bankers Trust Company. Tourists are urged to obtain these Cheques at their own banks whenever possible. They are the safest, handiest, "travel money."

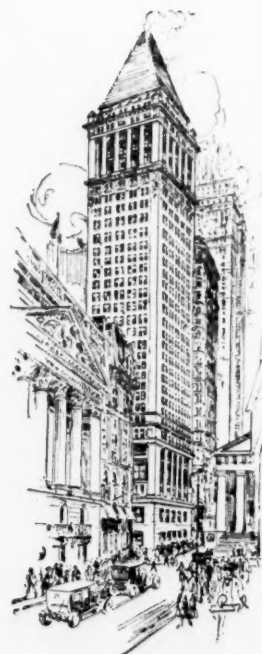
## BANKERS TRUST COMPANY

16 Wall Street

New York City

Telephone 8900 Rector

Resources, over \$250,000,000





# The Union Trust Company of Pittsburgh

PENNSYLVANIA

---

CAPITAL, SURPLUS AND UNDIVIDED PROFITS

**\$36,000,000.00**

Transacts a General Banking and  
Trust Company Business

---

## OFFICERS

---

HENRY C. McELDOWNEY.....President  
ANDREW W. MELLON.....Vice President  
JAMES M. SCHOONMAKER.....Vice President  
SCOTT HAYES.....Treasurer  
J. HARVEY EVANS.....Assistant Treasurer  
JOHN A. IRWIN.....Secretary  
JAMES S. CARR.....Assistant Secretary  
WILLIAM WYLIE SMITH.....Assistant Secretary  
WILLIAM A. ROBINSON.....Assistant Secretary  
WILLIAM I. BERRYMAN.....Trust Officer  
CARROLL P. DAVIS.....Assistant Trust Officer  
SIDNEY S. LIGGETT, Manager Bond Department

## DIRECTORS

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ARTHUR V. DAVIS  
JOHN B. FINLEY  
HENRY C. FOWNES  
HENRY C. FRICK  
BENJAMIN F. JONES, JR.  
PHILANDER C. KNOX  
JAMES H. LOCKHART  
J. MARSHALL LOCKHART

ANDREW W. MELLON  
RICHARD B. MELLON  
THOMAS MORRISON  
HENRY C. McELDOWNEY  
DAVID E. PARK  
HOWARD PHIPPS  
HENRY R. REA  
WILLIAM B. SCHILLER  
JAMES M. SCHOONMAKER

GEORGE E. SHAW

YOUR BUSINESS SOLICITED



# BONDS FOR INVESTMENT

We deal in

## Municipal and Railroad Bonds

suitable for

Savings Banks, National Banks, Trust Companies,  
Insurance Companies, Estates and Individuals

Internal and External Loans  
of Foreign Governments

# Colgate, Parker & Co.

2 Wall St., New York



Incorporated 1889

# The New York Trust Company

26 BROAD STREET

CAPITAL = = = = = \$3,000,000  
SURPLUS and PROFITS 11,350,000



## Trustee

OTTO T. BANNARD  
S. READING BERTRON  
JAMES A. BLAIR  
MORTIMER N. BUCKNER  
JAMES C. COLGATE  
ROBERT W. de FOREST  
JOHN B. DENNIS  
JOSEPH P. GRACE  
BENJAMIN S. GUINNESS  
F. N. HOFFSTOT  
FREDERIC B. JENNINGS  
WALTER JENNINGS  
CHAUNCEY KEEP  
JOHN C. McCALL  
JOHN J. MITCHELL  
JAMES PARMELEE  
GEORGE W. PERKINS  
HENRY C. PHIPPS  
E. PARMALEE PRENTICE  
EDMUND D. RANDOLPH  
NORMAN P. REAM  
DEAN SAGE  
B. AYMAR SANDS  
JOSEPH J. SLOCUM  
JOHN W. STERLING  
JAMES STILLMAN  
MYLES TIERNEY

## OFFICERS

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MORTIMER N. BUCKNER, President  
FREDERICK J. HORNE, Vice-President  
JAMES DODD, Vice-President  
CHARLES E. HAYDOCK, Treasurer  
HERBERT W. MORSE, Secretary

H. WALTER SHAW  
ARTHUR S. GIBBS  
MONTROSE STUART  
JOSEPH A. FLYNN  
HARRY FORSYTH, Ass't Treasurer

Assistant Secretaries

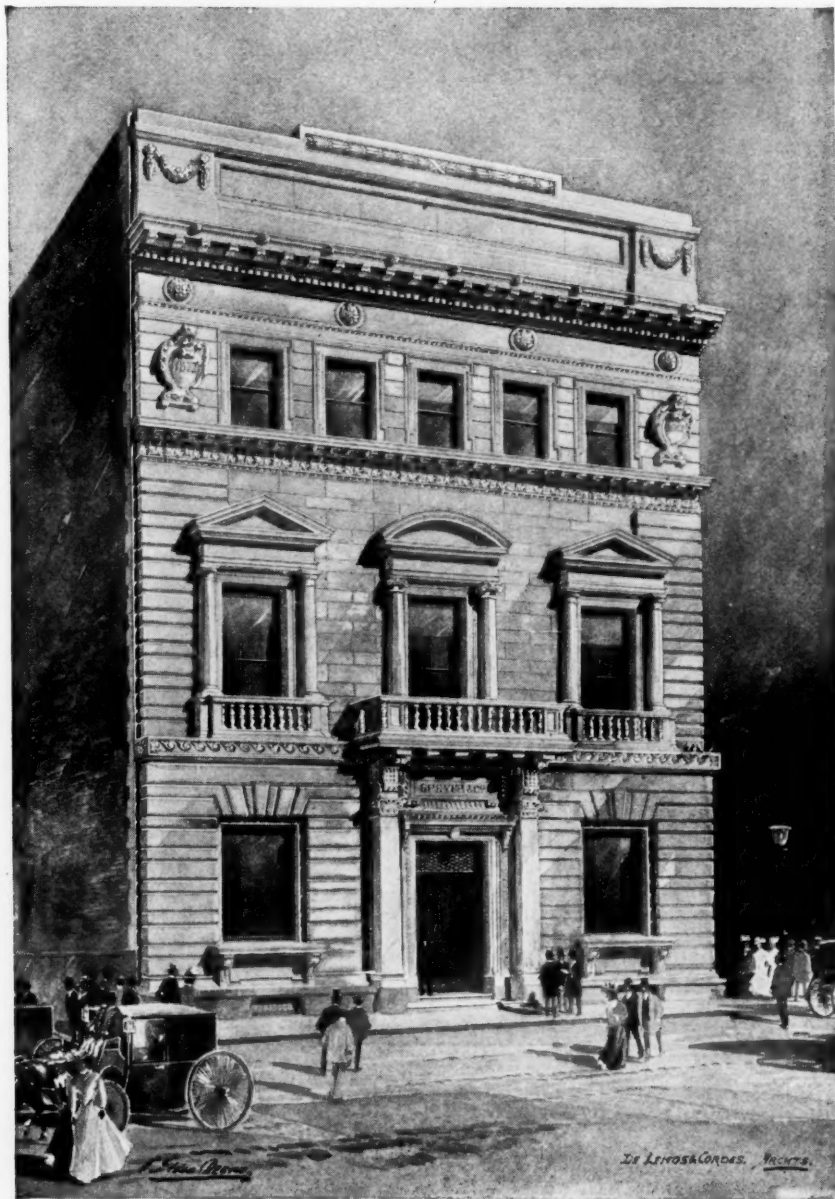
MEMBER OF  
THE NEW YORK CLEARING HOUSE ASSOCIATION



# SPEYER & CO.

ESTABLISHED 1837

FOREIGN AND DOMESTIC  
BANKERS



24-26 Pine Street, New York



CHARTERED 1864

# UNION TRUST COMPANY

## OF NEW YORK

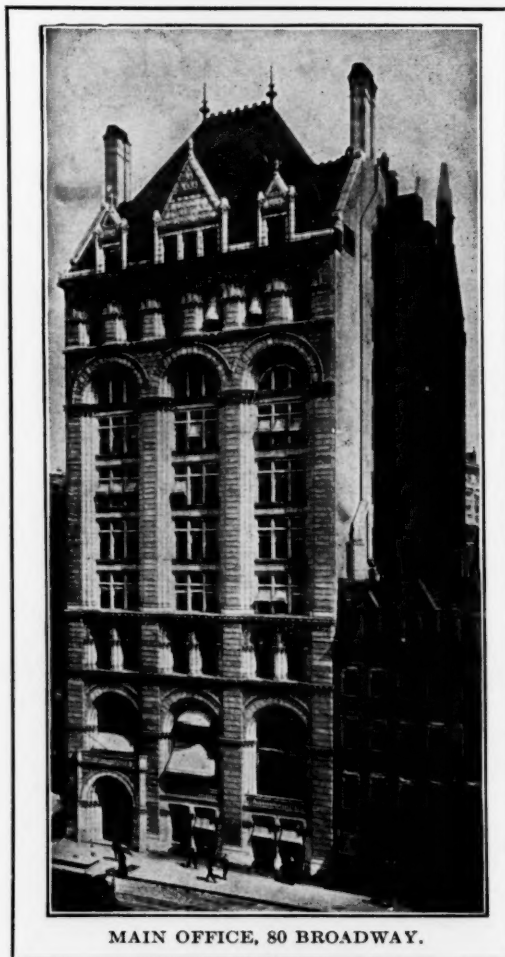
MAIN OFFICE, 80 BROADWAY

Plaza Branch:

786 Fifth  
Avenue  
Corner  
60th Street

Fifth Avenue  
Branch:

425 Fifth  
Avenue  
Corner  
38th Street



MAIN OFFICE, 80 BROADWAY.

Capital

\$3,000,000.00

Surplus

\$5,500,100.00

Total Resources

\$95,714,023.00

Authorized to act as Executor, Administrator, Guardian, Receiver or Trustee, and is a Legal Depository for funds of every description

Acts as Trustee of Mortgages of Corporations, and accepts the transfer agency and registry of stock

### OFFICERS

EDWIN G. MERRILL, President

JOHN V. B. THAYER, Vice-President  
HENRY M. POPHAM, Vice-President  
W. McMASTER MILLS, Vice-President Plaza Branch  
HENRY M. MYRICK, Secretary  
ERNEST H. COOK, Asst. Secretary Plaza Branch

J. Y. G. WALKER, Vice-President  
CARROLL C. RAWLINGS, Vice-President and Trust Officer  
BENJAMIN A. MORTON, Asst. Trust Officer  
T. W. HARTSHORNE, Assistant Secretary  
C. W. PARSON, Asst. Secretary Fifth Avenue Branch

### TRUSTEES

W. EMLÉN ROOSEVELT  
AUGUSTUS W. KELLEY  
CHARLES H. TWEED  
WILLIAM WOODWARD  
JOHN V. B. THAYER  
WALTER P. BLISS

FREDERIC deP. FOSTER  
JAMES GORE KING  
EDWIN G. MERRILL  
M. ORME WILSON  
V. EVERIT MACY

WM. H. NICHOLS, JR.  
ERNEST ISELIN  
RICHARD DELAFIELD  
FRANCIS M. WELD  
J. Y. G. WALKER  
JAMES BROWN



# Goldman, Sachs & Co.

60 Wall Street

New York

---

Commercial Paper

Foreign Exchange

Letters of Credit

Investment Securities

---

137 So. La Salle St.  
Chicago

60 Congress St.  
Boston



# NEW YORK LIFE INSURANCE and TRUST COMPANY

CHARTERED  
IN 1830



52 Wall Street  
New York

Grants annuities. Accepts Trusts created by Will or otherwise. Manages property as Agent for the owners. Allows interest on deposits payable after ten days' notice. Legal Depository for Executors, Trustees and Money in Suit.

Accepts only Private Trusts and declines all Corporation or other Public Trusts

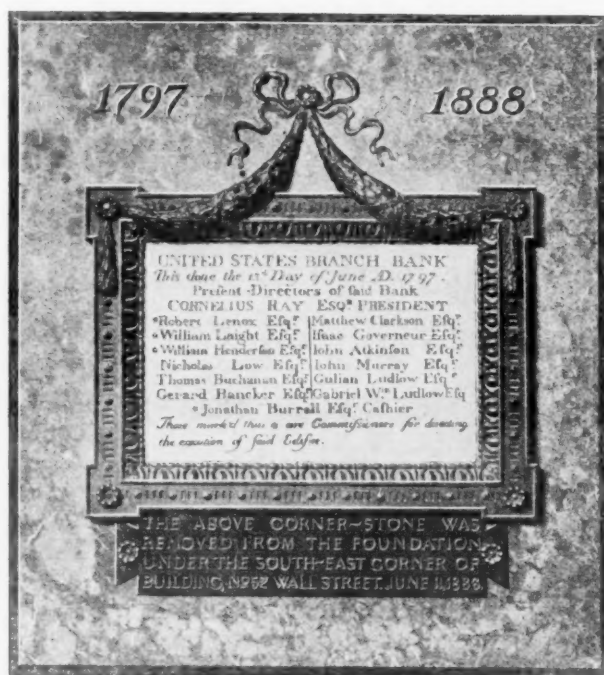
HENRY PARISH, Chairman of the Board  
WALTER KERR, President

HENRY PARISH, Jr., 1st Vice-President  
ZEGER W. van ZELM, 2nd Vice-President  
S. M. B. HOPKINS, 3d Vice-President  
IRVING L. ROE, Secretary

J. LOUIS van ZELM, Asst. Secretary  
JOHN C. VEDDER, Asst. Secretary  
ALGERNON J. PURDY, Asst. Secretary  
WILLIAM B. AUSTIN, Asst. Secretary

## TRUSTEES

Charles G. Thompson  
Henry Parish  
Frederic W. Stevens  
Stuyvesant Fish  
Edmund L. Baylies  
Henry A. C. Taylor  
Columbus O'D. Iselin  
W. Emlen Roosevelt  
Joseph H. Choate  
Augustus D. Juilliard  
Henry Lewis Morris  
Cornelius Vanderbilt



## TRUSTEES

Cleveland H. Dodge  
Thomas Denny  
Lincoln Cromwell  
Paul Tuckerman  
Walter Kerr  
Howard Townsend  
Eugene Delano  
Alfred E. Marling  
Moses Taylor  
Frank S. Witherbee  
Edward M. Townsend  
Edward J. Hancy  
Henry Parish, Jr.

CORNER-STONE OF THE OLD UNITED STATES BRANCH BANK  
as mounted in the Office of the New York Life Insurance and Trust Company

## STATEMENT

Made to the Banking Department of the State of New York at the close of business on September 20, 1916

ASSETS		LIABILITIES	
Real Estate.....	\$1,975,714.19	Capital Stock.....	\$1,000,000.00
Bonds and Mortgages.....	4,073,365.71	Surplus Fund and Undivided Profits	
Loans on Collaterals.....	2,240,943.05	(Market Value).....	4,233,416.85
Bills Receivable.....	10,534,063.38	Deposites in Trust.....	32,638,526.74
Cash in Company's Vaults.....	2,800,000.00	Life Insurance Fund.....	360,909.42
Cash on Deposit.....	1,278,914.42	Annuity Fund.....	2,432,252.33
Accrued Int., Rents, Suspense Acct., &c..	765,418.79	Interest Due Depositors, Taxes, &c.....	799,529.82
Bonds and Stocks (Market Value).....	17,796,215.62		
	<b>\$41,464,635.16</b>		<b>\$41,464,635.16</b>



# Clark, Dodge & Co.

—ESTABLISHED 1847—

Dealers in Bonds suitable for  
National and State Banks, Insurance  
Companies, Estates and individuals.

Specialize in Bonds of the highest  
grade, legal for Postal Savings funds,  
Savings Banks and Trustees.

Statistical information furnished  
to institutions and investors.

Negotiate security issues of Rail-  
road, Public Utility and Industrial  
Corporations, and act as fiscal agents.

51 Wall Street, New York



# **CHANDLER & COMPANY**

**INCORPORATED**

**34 PINE ST., NEW YORK**

**1338 CHESTNUT ST., PHILADELPHIA**

**185 DEVONSHIRE ST., BOSTON**

**Government Loans, Municipal and Railroad  
Securities**

**High Grade Industrials**

**Fiscal Agents for the Republic of Costa Rica**

## **Securities Corporation General**

**1338 CHESTNUT STREET, PHILADELPHIA**

**34 PINE STREET, NEW YORK**

**Authorized Capital  
\$10,000,000.**

**Issued  
\$5,021,875.**

**Deals and invests in public service securities  
Participates in security underwritings  
Finances public service enterprises**

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S. W. FFOULKES, Vice-President  
G. W. ROBERTSON, Vice-President  
J. K. TRIMBLE, Sec'y & Treas.**

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**HOWARD A. LOEB, Philadelphia**

**J. G. WHITE, New York**

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**J. K. TRIMBLE, Philadelphia**



# THE MECHANICS AND METALS NATIONAL BANK

*of the City of New York*



**Capital, Surplus and Undivided Profits, \$15,000,000**

**Deposits, (Sept. 12, 1916) \$181,000,000**

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*Vice President*

JOSEPH S. HOUSE  
*Cashier*

JOHN McHUGH  
*Vice President*

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*Asst. Cashier*

FRANK O. ROE  
*Vice President*

ERNEST W. DAVENPORT  
*Asst. Cashier*

WALTER F. ALBERTSEN  
*Vice President*

ARTHUR M. AIKEN  
*Asst. Cashier*

HARRY H. POND  
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ALEXANDER F. BRYAN  
*Auditor*

SAMUEL S. CAMPBELL  
*Vice President*

NORTH McLEAN  
*Mgr. Foreign Dept.*

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Of Banks, Bankers, Corporations, Firms and Individuals on favorable terms, and shall be pleased to establish relations with those who contemplate opening new or additional accounts in New York City.

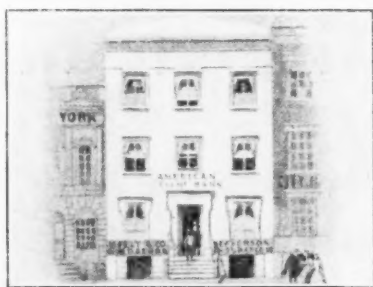




# A BIT OF HISTORY



18 WALL STREET, 1839



50-52 WALL STREET



THE BANK'S FIRST BUILDING AT 128 BROADWAY (1901)



28 BROADWAY THE BANK'S PRESENT HOME

The American Exchange Bank received its charter on September 14, 1838. At a meeting of its board of directors held February 20, 1839, this resolution was adopted:

"That this Bank will be open at No. 18 Wall Street on Thursday, February 21, 1839, at ten o'clock A.M., to receive deposits, and that on Saturday, February 23, 1839, at ten o'clock A.M., the board will proceed to discount."

The new bank met with success, finding it necessary, after three years, to secure larger quarters. On June 29, 1842, it moved to 50-52 Wall Street.

In 1852 the American Exchange Bank together with four other banks formed an association which led later to the organizing of the New York Clearing House.

A great panic swept the country in 1857, causing such financial stress that many banks suspended specie payments. The American Exchange Bank withstood the storm and not only met its obligations, but continued the payment of dividends. The excitement reached its height on October 14, 1857, on which day Mr. David Leavitt, former president and a director, spoke from the steps of the bank to the assembled crowd, advising them of the soundness of his bank.

In August, 1858, the bank moved to its new building at the corner of Broadway and Cedar Street, where it has since conducted business.

A gathering of historical interest was held in the new building in June, 1861. Secretary of the Treasury Stanton came to New York to arrange for a \$50,000,000 gold loan. The leading bankers were invited to meet him in the director's room of the American Exchange Bank, where negotiations were completed.

On June 30, 1865, the bank entered the national system, changing its title from The American Exchange Bank to The American Exchange National Bank.

The bank's business had increased to such an extent that in 1901 it was necessary to have larger quarters and the present building was erected.

When the Federal reserve system became operative, The American Exchange National Bank became a member bank.

The American Exchange National Bank has followed a consistent course. Its management has been maintained along conservative lines. It has always had the confidence of its customers and the public. Its growth is that of a single institution

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VICE-PRESIDENT

THEODORE H. BANKS,  
VICE-PRESIDENT

GEORGE C. HAIGH,  
VICE-PRESIDENT

A. K. DE GUISCARD,  
ASST. CASHIER

HUGH S. MCCLURE,  
ASST. CASHIER

ARTHUR P. LEE,  
CASHIER

ELBERT A. BENNETT,  
ASST. CASHIER

WALTER B. TALLMAN,  
ASST. CASHIER

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WALTER H. BENNETT,  
Vice-President

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Browning, King & Co.

LEWIS L. CLARKE,  
President

R. FULTON CUTTING,  
New York

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Dixon & Holmes

STEPHEN B. FLEMING,  
President, International Agn. Corp.

PHILIP A. S. FRANKLIN,  
New York

GEORGE LEGG,  
New York

EDGAR J. NATHAN,  
Cardozo & Nathan

EDWARD C. PLATT,  
Vice-President, Mackay Co.'s

JAMES A. SMITH,  
Calhoun, Robbins & Co.

ELBRIDGE G. SNOW,  
President, Home Insurance Co.

CLAUS A. SPRECKELS,  
President, Federal Sugar Ref. Co.

JOHN T. TERRY,  
New York

TOTAL RESOURCES  
\$130,000,000

THE  
AMERICAN EXCHANGE  
NATIONAL BANK

128 BROADWAY :: :: NEW YORK



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**Standard Municipal, Railroad  
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Contributing to the character of the service rendered by this organization are :

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**A distributing organization in all  
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We invite inquiries from institutions and individuals

## The National City Company

National City Bank Building, New York

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Munsey Bldg.

WASHINGTON, D. C.  
717-14th St., N. W.

CLEVELAND, OHIO  
Guardian Bldg.

DETROIT, MICH.  
Dime Bank Building

BOSTON, MASS.  
55 Congress Street

BUFFALO, N. Y.  
Marine Bank Bldg.

ALBANY, N. Y.  
41 Douw Building

SAN FRANCISCO, CAL.  
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PITTSBURGH, PA.  
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WILKESBARRE, PA.  
Miners Bank Building



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(Established 1882)

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detailed reports on securities of corporations

We want permanent clients  
rather than an outlet for particular securities

61 Broadway  
New York

111 W. Monroe Street  
Chicago



# THE CHEMICAL NATIONAL BANK

New York

ESTABLISHED 1824

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Capital and Surplus	. . . . .	\$10,000,000
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## Transacts a General Banking Business

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H. K. TWITCHELL, *Vice-President*    FRANCIS HALPIN, *Cashier*

JAMES L. PARSON, *Asst. Cashier*    EDWARD H. SMITH, *Asst. Cashier*

I. B. HOPPER, *Asst. Cashier*

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W. EMLEN ROOSEVELT

CHARLES CHENEY

AUGUSTUS D. JUILLIARD

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ST. LOUIS

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Organized 1852

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\$3,000,000

*Resources Over Fourteen Million Dollars*



81 Fulton Street

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Vice-President

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**THE  
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GARRARD COMLY Vice-President	JAMES McALLISTER Assistant Cashier
ALBION K. CHAPMAN Cashier	WILLIAM M. HAINES Assistant Cashier



320 BROADWAY

**CONDENSED STATEMENT SEPT. 12, 1916**

RESOURCES	
Loans and Discounts.....	\$25,763,615.11
U. S. Bonds and Investments.....	1,750,151.25
Due from Banks.....	1,142,041.04
Due from Federal Reserve Bank.....	2,139,239.92
Cash and Exchanges.....	5,651,986.23
Customers' Guarantees.....	434,369.61
Total.....	<u>\$36,881,403.16</u>

LIABILITIES	
Capital Stock.....	\$2,550,000.00
Surplus and Profits.....	2,382,243.67
Unearned Discount Reserve.....	200,000.00
Reserve for Taxes.....	30,570.69
Circulation.....	1,006,900.00
Deposits:	
Banks.....	\$4,913,299.65
Individual.....	25,355,865.79
Letters of Credit, etc.....	442,523.36
Total.....	<u>\$36,881,403.16</u>

**DIRECTORS**

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Bacon & Co., Commission Merchants and Commercial Bankers  
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President Bear Mill Mfg. Co., Converters Cotton Goods  
HENRY A. CAESAR,  
H. A. Caesar & Co., Importers and Commission Dry Goods  
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Burton Bros. & Co., Converters Cotton Goods  
GARRARD COMLY, Vice-President  
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Smith, Hogg & Company, Commission Cotton Goods  
OTTO L. DOMMERICH, L. F. Dommerich & Company  
WILLIAM S. GRAY,  
President William S. Gray & Co., Chemicals

ROBERT B. HIRSCH, Wm. Openhym & Sons  
Manufacturers, Importers and Commission Dry Goods  
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President New York Life Insurance Company  
WALTON P. KINGSLEY, New York Life Insurance Company  
AUGUSTUS F. LIBBY, 377 Broadway, New York  
WILLIAM FELLOWES MORGAN,  
Chairman Board of Directors Merchants Refrigerating Co.  
CHARLES ALLEN MUNN,  
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Hartfield



# SEABOARD NATIONAL BANK

OF THE CITY OF NEW YORK

**CAPITAL**  
**\$1,000,000**

**SURPLUS and PROFITS**  
(EARNED)  
**\$3,000,000**

**DEPOSITS**  
**\$50,000,000**



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Vice-President  
C. C. THOMPSON,  
Vice-President  
B. L. GILL,  
Vice-President  
W. K. CLEVERLEY,  
Cashier  
L. N. DeVAUSNEY,  
Asst. Cashier  
J. C. EMORY,  
Asst. Cashier  
O. M. JEFFERDS,  
Asst. Cashier  
C. C. FISHER,  
Asst. Cashier

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Edwd. J. Cornish  
Henry C. Folger  
Edw. H. R. Green  
Herbert H. Hewitt  
Peter McDonnell  
Stuart G. Nelson  
Charles Lathrop Pack  
Joseph Seep  
Charles C. Thompson  
Wm. H. Woodin

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## Emerson McMillin & Co.

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High Grade Investment  
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Members New York Stock Exchange

*INVESTMENT SECURITIES*

7 WALL STREET, NEW YORK



ESTABLISHED 1888

## Franklin Trust Company

Member of the New York Clearing House Association



With offices located in the financial centers of New York and Brooklyn this Company is amply qualified to handle collections in a prompt and satisfactory manner. We have a department especially equipped for collecting Brooklyn items and offer to out-of-town institutions the same efficient service which has proved so satisfactory to the large New York City banks who are now sending us their Brooklyn collections.

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CHARLES K. BEEKMAN  
Beekman, Menken & Griscom, *Lawyers*  
WM. ALLEN BUTLER  
Butler, Brown, Wyckoff & Campbell,  
*Lawyers*  
ALLEN CURTIS  
Curtis & Sanger, *Brokers*  
R. BAYARD CUTTING  
32 Nassau Street, New York  
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Vice-President of the Company  
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85 Remsen Street, Brooklyn  
MURRAY W. DODGE  
Bertron, Griscom & Co., *Bankers*

WILLIAM G. LOW, JR.  
Chairman, Executive Committee.

CROWELL HADDEN  
President, Brooklyn Savings Bank  
HENRY R. HAYES  
Stone & Webster, Boston  
GEORGE HEWLETT  
Hewlett & Lee, *Importers*  
JAMES IMBRIE  
William Morris Imbrie & Co., *Bankers*  
JOHN H. ISELIN  
Anderson, Iselin & Anderson, *Lawyers*  
MARTIN JOOST  
Vice-President, Bond & Mortgage Guar-  
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WILLIAM M. RAMSAY  
N. Y. Agent, Merchants Bank of Canada  
GRISWOLD A. THOMPSON  
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FRANK DAY TUTTLE  
S. Tuttle's Son & Co., *Coal*  
ARTHUR KING WOOD  
President

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In New York City's Financial District

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corner of William Street

In Brooklyn's Shopping Center  
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166 MONTAGUE STREET  
corner of Clinton Street

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corner Washington and Flushing Avenues

## CHAS. D. BARNEY & Co.

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NEW YORK CITY

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Capital and  
55 Cedar Street  
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Surplus \$6,000,000  
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Chicago Board of Trade

New York Cotton Exchange

Chicago Stock Exchange

New York Coffee Exchange

The Rookery

CHICAGO

15 Wall Street

NEW YORK



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TRUST  
COMPANY

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Uptown Office, Fifth Ave. & 34th St.

Harlem Branch, Lenox Ave. & 125th St.  
Bronx Branch, Third Ave. & 148th St.

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CHELLIS A. AUSTIN, Asst. Secretary  
J. SPERRY KANE, Asst. Secretary  
FREDERICK V. CLOWES, Asst. Secretary

ROBERT I. CURRAN, Asst. Treasurer  
GEO. EARLE WARREN, V.-P. & Trust Officer  
ORRIN R. JUDD, Asst. Trust Officer  
ARTHUR N. HAZELTINE, Asst. Trust Officer

Statement of Condition Sept. 20, 1916

ASSETS.		LIABILITIES.	
Cash on hand.....	\$6,631,949 89	Capital Stock.....	\$2,000,000 00
Cash in Banks and Exchanges.....	9,046,897 76	Surplus and Undivided Profits.....	8,266,864 89
State and City Bonds.....	1,049,387 70	Deposits.....	85,230,857 32
Other Bonds and Stocks.....	9,542,427 35	Office Cheques.....	906,900 25
Loans and Bills Purchased.....	54,737,759 14	Reserved for Taxes and Dividend.....	222,598 31
Short Term Securities.....	7,650,289 90	Acceptances.....	1,351,691 67
New York City Mortgages.....	2,339,999 32	Accrued Interest Payable.....	300,637 52
Real Estate, Banking Houses.....	5,572,896 60		
Customers' Liability on Acceptances.....	1,351,691 67		
Accrued Interest Receivable.....	356,250 63		
	\$98,279,549 96		\$98,279,549 96

DIRECTORS

BENJ. L. ALLEN  
Vice-President of the Company  
HOWARD BAYNE  
Vice-President of the Company  
SAMUEL G. BAYNE  
President Seaboard National Bank  
A. CHESTER BEATTY  
Consulting Engineer  
UNION N. BETHELL  
President New York Telephone Co.  
G. LOUIS BOISSEVAIN  
New York City  
FRANKLIN Q. BROWN  
Redmond & Co., Bankers  
EDWARD H. CLARK  
Manager Hearst Estate  
GEORGE CRAWFORD CLARK, JR.  
Clark, Dodge & Co., Bankers

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HAROLD BENJAMIN CLARK  
White, Weld & Co., Bankers  
EDWARD CORNELL  
Attorney-at-Law  
MOREAU DELANO  
Brown Brothers & Co.  
JAMES M. GIFFORD  
Attorney-at-Law  
HENRY GOLDMAN  
Goldman, Sachs & Co., Bankers  
E. H. R. GREEN  
President Texas Midland Railroad  
J. HORACE HARDING  
Charles D. Barney & Co., Bankers  
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Chairman Chase National Bank  
WILLARD V. KING  
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ANTHONY R. KUSER  
Pres. South Jersey Gas, Electric & Trac. Co.  
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Lehman Bros., Bankers  
ALFRED E. MARLING  
Real Estate  
AUGUSTUS G. PAINE, JR.  
President New York & Pennsylvania Co.  
NOAH C. ROGERS  
Attorney-at-Law  
HERMANN SIELCKEN  
Crossman & Sielcken, Merchants  
FREDERICK STRAUSS  
J. & W. Sellgman & Co., Bankers  
WM. A. TUCKER  
Tucker, Anthony & Co., Bankers  
FREDERIC W. WHITE  
Peters, White & Company, Chemicals

Independent of the Control of Any Single Interest

No. 374

THE FIRST NATIONAL BANK

OF JERSEY CITY, N. J.

Capital, - - - - -	\$400,000.00
Surplus and Undivided Profits, -	\$1,286,565.75
Deposits, - - - - -	\$7,921,697.25

OFFICERS

GEORGE T. SMITH, President  
EDWARD I. EDWARDS, Cashier  
ROBERT E. JENNINGS, Vice-Pres.  
HENRY BROWN, Jr., Asst. Cashier

DIRECTORS

Charles Siedler, Robert E. Jennings, Henry E. Niese, Arthur G. Hoffmann,  
George T. Smith, Edward L. Young, Edward I. Edwards, Lyman N. Hine.

CHARTERED 1853

# United States Trust Company of New York

45 and 47 WALL STREET

CAPITAL, - - - - - \$2,000,000.00

SURPLUS AND UNDIVIDED PROFITS, \$14,404,415.00

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WM. M. KINGSLEY, Vice-President

WILFRED J. WORCESTER, Secretary

WILLIAMSON PELL, Asst. Secretary

CHARLES A. EDWARDS, 2d Asst. Secretary

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Frank Lyman  
James Stillman  
John J. Phelps  
Lewis Cass Ledyard

Lyman J. Gage  
Payne Whitney  
Edward W. Sheldon  
Chauncey Keep  
George L. Rives

Arthur Curtiss James  
William M. Kingsley  
William Stewart Tod  
Ogden Mills  
Cornelius N. Bliss, Jr.

Henry W. de Forest  
William Vincent Astor  
Chas. F. Hoffman  
William Sloane

# New Netherland Bank

OF NEW YORK

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Near Broadway

Our location and facilities enable us to handle the business of our correspondents efficiently and without loss of time.

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LETTERS OF CREDIT, TRAVELERS CHECKS, FOREIGN EXCHANGE, MONEY ORDERS*

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THE  
**COAL AND IRON NATIONAL BANK**  
OF THE CITY OF NEW YORK

Capital	- - - - -	\$1,000,000.00
Surplus and Profits (Earned)	-	749,484.70

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Member New York Clearing House Association

## BROADWAY TRUST COMPANY



WOOLWORTH BUILDING  
NEW YORK

### GROWTH—DEPOSITS

January 1, 1912	.	.	.	\$5,150,000.
January 1, 1914	.	.	.	14,971,000.
January 1, 1916	.	.	.	23,245,000.
September 1, 1916	.	.	.	25,542,000.

BANKING DEPARTMENT  
FOREIGN EXCHANGE DEPARTMENT

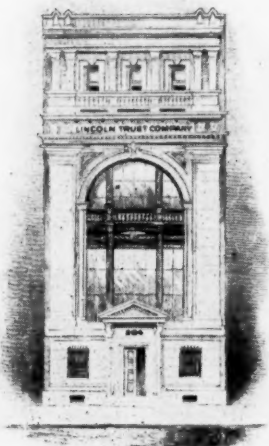
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NEW YORK CLEARING HOUSE  
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Hermann C. Fleitmann	P. F. Murphy	Wm. H. Wheelock
Erskine Hewitt	Irving E. Raymond	C. Morton Whitman
Edward W. Humphreys		

CAPITAL AND SURPLUS, \$1,500,000



Organized 1882  
**THE LINCOLN NATIONAL BANK of the CITY OF NEW YORK**  
**42nd STREET, OPPOSITE GRAND CENTRAL TERMINAL**

CAPITAL,	\$1,000,000.00
SURPLUS AND UNDIVIDED PROFITS,	\$1,932,106.00
DEPOSITS,	\$29,550,432.00
TOTAL RESOURCES,	\$34,144,002.00

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 WILLIAM A. SIMONSON, VICE-PRESIDENT      DAVID C. GRANT, CASHIER  
 JOHN S. SAMMIS, JR., ASSISTANT CASHIER      HENRY E. STUBING, ASSISTANT CASHIER

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JOSEPH P. GRACE	WILLIAM BREWSTER	WILLIAM A. SIMONSON	HOWARD C. BROKAW
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### NEW YORK

Capital, Surplus and Reserves  
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**GEO PLOCHMANN** Treasurer      **E S CUBBERLEY** Ass't Treasurer

**DIRECTORS**

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<b>HENRY H WEHRHANE</b> Halgarten & Co Bankers		
<b>WALTER G OAKMAN</b> President Hudson Companies		

**DEPOSITORY**

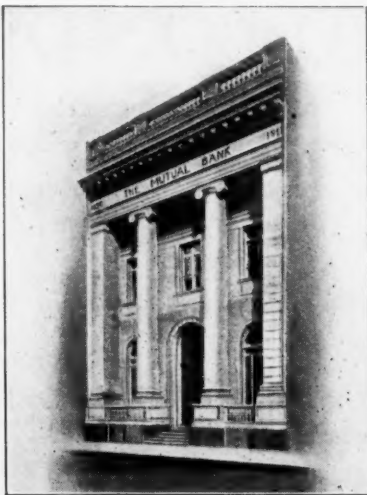
UNITED STATES POSTAL SAVINGS SYSTEM  
 NEW YORK STATE AND CITY FUNDS  
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 TRUST FUNDS

**FISCAL AGENT**

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PROVIDENCE

NEW YORK  
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ESTABLISHED 1888

ESTABLISHED 1882

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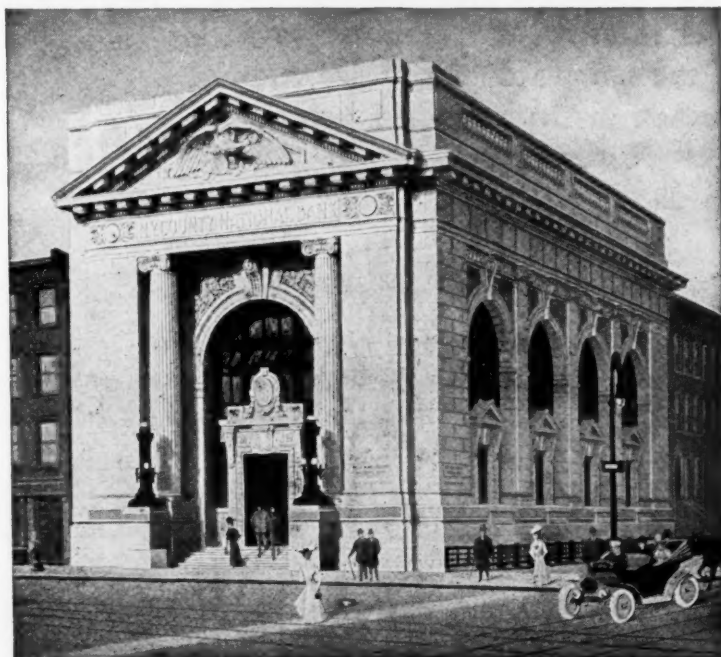


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Corner 14th Street and 8th Avenue, New York City

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T. M. Cheesman  
Jesse Isidor Straus  
Ormond G. Smith  
Christian F. Tietjen  
James C. Brower  
W. H. Noyes  
L. Leland Pierce



THE NEW YORK COUNTY NATIONAL'S NEW HOME

Capital, \$500,000

Surplus and  
Undivided Profits  
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Entered the National  
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Both Large and Small, Invited on Favorable Terms

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100 Years a  
Commercial Bank

THE  
**CHATHAM  
AND  
PHENIX**



**NATIONAL  
BANK**

192 Broadway  
Cor. John St.

Capital and Surplus, \$5,000,000  
Resources - - - 80,000,000

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WILLIAM H. STRAWN, - Vice-Pres.  
BERT L. HASKINS, Vice-Pres. & Cash.  
NORBORNE P. GATLING, Vice-Pres.  
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WALTER B. BOICE, - Asst. Cash.  
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Surplus - - - 4,100,000

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Commercial Letters of Credit  
ACCOUNTS SOLICITED

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JAMES McNEIL, Asst. Cashier  
B. D. FORSTER, Asst. Cashier  
CHAS. D. BAKER, Asst. Cashier  
WM. F. MOORE, Asst. Cashier

### Directors

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STEPHEN BAKER WILLIAM SLOANE  
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Deposits  
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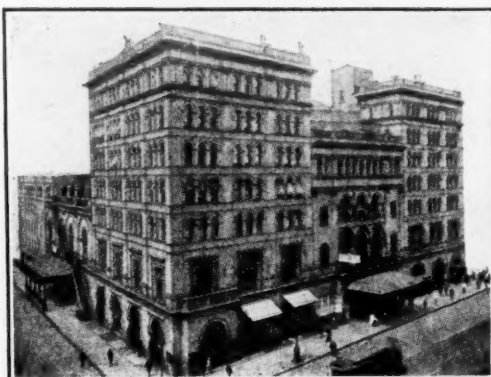
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VICE PRESIDENT  
VICE PRESIDENT  
SECRETARY  
TREASURER

Depository for New York State and City Funds



CAPITAL  
AND  
SURPLUS  
OVER  
\$2,000,000.00

TOTAL  
RESOURCES  
OVER  
\$14,000,000.00

NEW YORK CITY

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STEPHEN L. VIELE . . .	Asst. Secretary
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Successor to H. P. Taylor & Company

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**A. W. THIAS, " " " " Credit "**



# The First National Bank of St. Paul



<b>Capital</b>	<b>Surplus</b>	<b>Deposits</b>
<b>\$3,000,000</b>	<b>\$2,000,000</b>	<b>\$52,000,000</b>

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OTTO M. NELSON, Vice-President	HENRY B. HOUSE, Assistant Cashier
M. SKINNER, Vice-President	CHARLES E. GALL, Assistant Cashier
CHARLES H. BUCKLEY, Cashier	GEORGE H. WICHMAN, Assistant Cashier

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<b>Capital \$1,000,000</b>	<b>Surplus \$100,000</b>
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*Affiliated with The First National Bank of St. Paul*

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Resources over	.	.	.	29,000,000.00

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 GEORGE H. BARBOUR.....Vice-President  
 CHARLES A. WARREN.....Vice-President and Cashier  
 F. F. TILLOTSON.....Assistant Cashier  
 L. C. SHERWOOD.....Assistant Cashier

DAVID S. CARNEGIE.....Assistant Cashier  
 CHARLTON E. PARTRIDGE.....Assistant Cashier  
 GEORGE T. BREEN.....Auditor  
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It is experienced and equipped to handle trusts of every kind.

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Established in 1891

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*Managers*

American Public Utilities Company and  
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GRAND RAPIDS, MICH.

Capital	-	-	-	-	\$200,000
Surplus	-	-	-	-	800,000

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WILLARD BARNHART, 1st Vice-Prest.  
HENRY IDEMA, 2nd Vice-Prest.  
F. A. GORHAM, 3rd Vice-Prest.  
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RESOURCES - - - - - 12,000,000

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INVESTMENT SECURITIES



THE

## Omaha National Bank OMAHA, NEB.

Capital	-	-	-	\$1,000,000
Surplus and Profits	-	-	-	1,060,000
Deposits	-	-	-	19,400,000

J. H. MILLARD, President  
W. H. BUCHOLZ, Vice-President  
WARD M. BURGESS, Vice-President  
J. DeF. RICHARDS, Cashier

FRANK BOYD, Assistant Cashier  
B. A. WILCOX, Assistant Cashier  
EZRA MILLARD, Assistant Cashier  
OTIS ALVISON, Assistant Cashier

Has Served the people of Omaha and Nebraska over fifty years

# The Citizens National Bank OF LOS ANGELES

Capital, \$1,500,000      Surplus and Profits, \$700,000  
Deposits, \$15,000,000

Ample resources to assure consistent service for all commercial accounts  
No service this bank can render will be regarded as unimportant

## OFFICERS

A. J. WATERS, President  
J. ROSS CLARK, Vice-President  
M. J. MONNETTE, Vice-President

WM. W. WOODS, Vice-President  
R. W. KENNY, Vice-President  
E. T. PETTIGREW, Cashier

GEORGE E. F. DUFFET, Ass't Cashier  
GEORGE BUGBEE, Ass't Cashier  
H. D. IVEY, Ass't Cashier

# WILLIAM R. STAATS CO.

Municipal, School, Railroad  
Public Service Corporation

## BONDS

Specialize in Bonds secured by First Mortgage of  
properties having high intrinsic value and earning capacity

## ON THE PACIFIC COAST

ALSO EXECUTE COMMISSION ORDERS IN  
**LISTED SECURITIES**  
IN CALIFORNIA

LOS ANGELES  
105 West Fourth St.

SAN FRANCISCO  
477 California St.

PASADENA  
65 South Raymond Ave.

CHICAGO  
456 1st Nat'l Bank Bldg.

# The OLDEST NATIONAL BANK IN CALIFORNIA

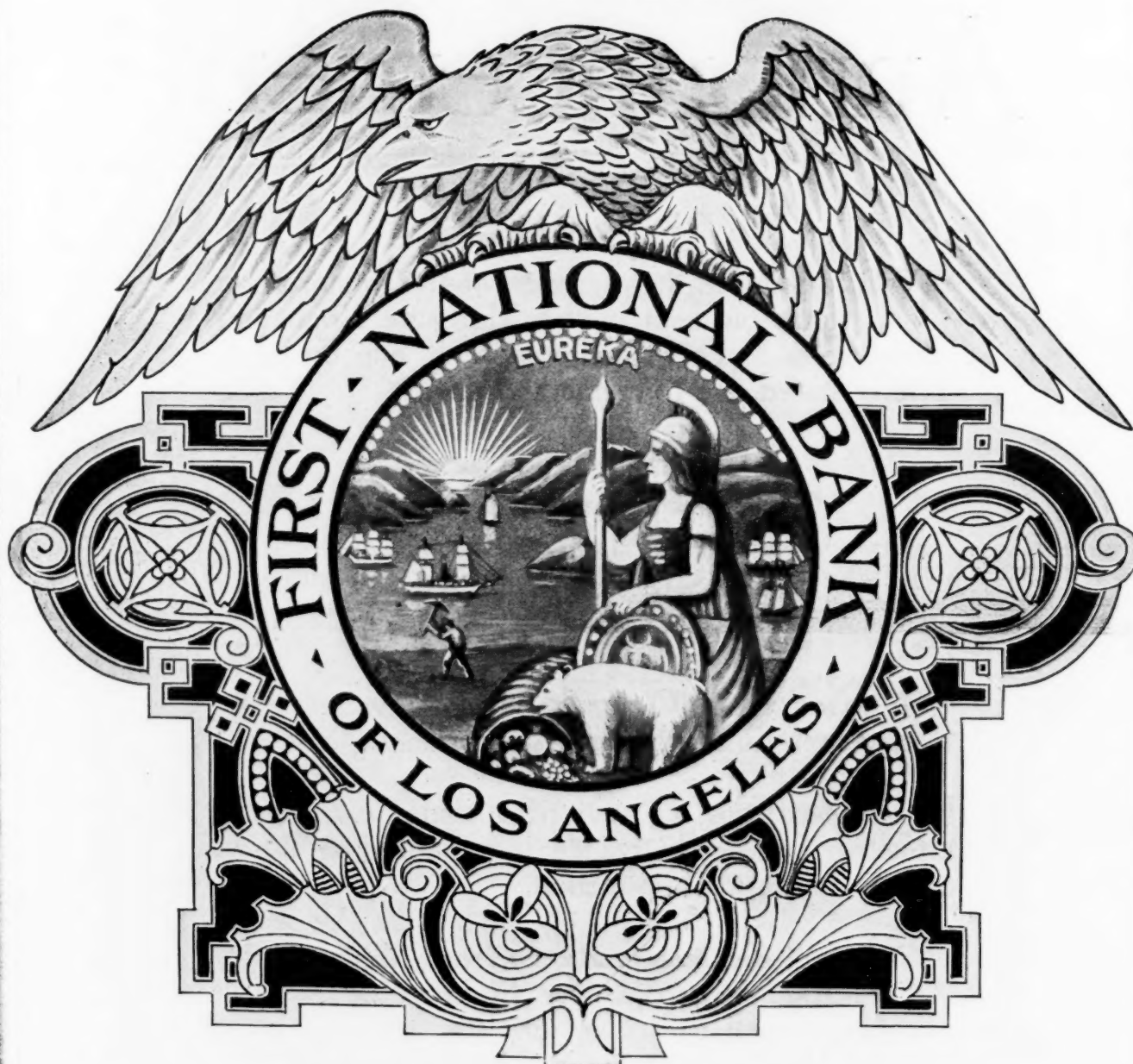
A Bank which gives to every customer and to every  
department that careful and thorough service which  
is the result of 45 years of growth and experience,  
combined with the close personal attention of  
all its officers.

**FIRST NATIONAL BANK** of San Francisco



## OFFICERS

STODDARD JESS . . . . . President  
 E. D. ROBERTS . Vice-President      JOHN P. BURKE . Vice-President  
 E. S. PAULY . Vice-President      JOHN S. CRAVENS . Vice-President  
 W. T. S. HAMMOND . . . . . Cashier  
 A. C. WAY . . Assistant Cashier      E. W. COE . . Assistant Cashier  
 A. B. JONES . . Assistant Cashier      W. C. BRYAN . Assistant Cashier  
 W. H. LUTZ . Auditor  
 J. FORSYTH . . Manager Foreign Department



## DIRECTORS

J. M. ELLIOTT . . Chairman of Board

JOHN P. BURKE Vice-President	H. JEVNE H. Jevne Co.
JOHN S. CRAVENS Vice-President	J. O. KOEPFLI Bishop & Co.
J. C. DRAKE President Los Angeles Trust and Savings Bank	DAN MURPHY Capitalist
FRANK P. FLINT Attorney	E. J. MARSHALL President Torrance, Marshall & Co.
M. H. FLINT Vice-President Los Angeles Trust and Savings Bank	JOHN B. MILLER President Southern California Edison Co.
C. W. GATES Capitalist	E. D. ROBERTS Vice-President
STODDARD JESS President	F. Q. STORY President California Fruit Growers' Exchange



# Announcement

**W**E announce the readiness of this organization to do business in the Mortgage Loan and Bond fields. The main objects of our business, briefly stated, are to create and deal in

Farm Land First Mortgages  
City Real Estate First Mortgage Bonds  
Municipal, School, Drainage and  
Public Service Corporation Bonds  
Reliable Industrial Securities

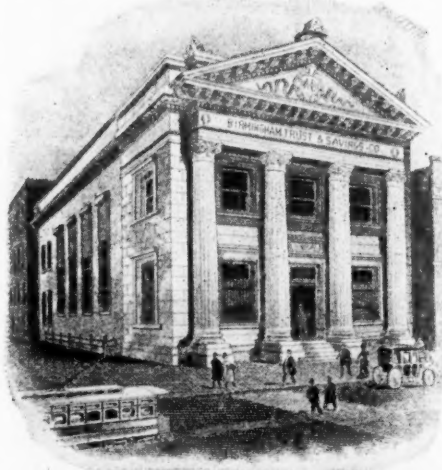
The policy of the Company is Conservative — its management in the hands of experienced officials.

In the near future we will offer some particularly attractive issues. Advance information on these may be had upon application.

We invite correspondence from Bankers seeking securities for investment by their institutions or clients. Present exclusive connections may be formed that will prove profitably satisfactory.

**BANKERS' LOAN  
& SECURITIES COMPANY**  
CAPITAL \$1,500,000.  
New Orleans





## BIRMINGHAM TRUST & SAVINGS CO. BIRMINGHAM, ALABAMA

Organized in 1887.

Capital \$500,000 Surplus (Earned) \$650,000

ARTHUR W. SMITH, President  
TOM O. SMITH, Vice-President  
W. H. MANLY, Cashier

BENSON CAIN, Ass't Cashier  
C. D. COTTEN, Ass't Cashier  
E. W. FINCH, Ass't Cashier

Steady adherence to conservative banking is  
coupled with prompt attention to all business.

ALABAMA COLLECTION ACCOUNTS SOLICITED.

## Fourth National Bank

ATLANTA, GEORGIA



Capital - - - \$600,000.00  
Surplus - - - \$1,040,000.00

A Good, Strong Bank that will take adequate care of all business  
entrusted to it

JAMES W. ENGLISH, President  
JOHN K. OTTLEY, Vice-President  
CHARLES I. RYAN, Vice-Pres't and Cashier

WM. T. PERKERSON, Asst. Cashier F. M. BERRY, Asst. Cashier  
STEWART MCGINTY, " " H. B. ROGERS, " "



ORGANIZED 1866

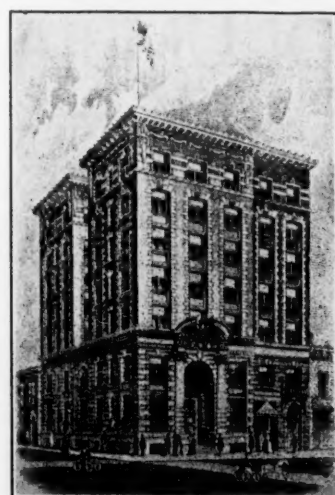
## THE FIRST NATIONAL BANK OF HOUSTON, TEXAS

CAPITAL, \$2,000,000 SURPLUS, \$400,000

J. T. SCOTT, President  
F. M. LAW, Vice-President  
W. S. COCHRAN, Vice-President  
F. E. RUSSELL, Cashier

G. G. TIMMINS, Ass't Cashier  
J. L. RUSSELL, Ass't Cashier  
H. B. BRINGHURST, Ass't Cashier  
J. W. HAZARD, Ass't Cashier

WE INVITE CORRESPONDENCE OF BANKS AND BANKERS DESIRING  
UNEXCELLED FACILITIES FOR HANDLING COLLECTIONS ON THE  
STATE OF TEXAS.



ESTABLISHED 1873

## The Fort Worth National Bank FORT WORTH, TEXAS

Capital \$600,000 (\$200,000 earned)  
Surplus and Profits \$1,200,000

K. M. VAN ZANDT, President  
ELMO SLEDD, Vice-President R. E. HARDING, Vice-President  
E. B. VAN ZANDT, Vice-President  
W. M. MASSIE, Cashier R. C. GEE, Assistant Cashier  
R. W. FENDER, Assistant Cashier H. P. SANDIDGE, Assistant Cashier

We cordially invite the correspondence of Banks and Bankers desiring efficient and  
satisfactory service in this territory

## W. F. Fuqua & Co.

BONDS

Land Title Building  
Philadelphia, Pa.

## The National Bank of Commerce NORFOLK, VA.



**CAPITAL**  
**\$1,000,000**

**SURPLUS**  
**\$1,000,000**

**WE INVITE  
YOUR  
ACCOUNT**

**NATHANIEL BEAMAN, President**  
**TAZEWELL TAYLOR, Vice-President**  
**HUGH M. KERR, Cashier**  
**M. C. FEREBEE, Assistant Cashier**  
**R. S. COHOON, Assistant Cashier**  
**R. P. BEAMAN, Assistant Cashier**

**MARKED FEATURES**  
**Promptness, Courtesy, Safety and Reliability**

## HAMILTON NATIONAL BANK CHATTANOOGA, TENN.



**Capital**  
**\$1,000,000**

**Surplus**  
**and**

**Profits**  
**\$550,000**

**Resources Over**  
**\$10,000,000**

***Our Collection Facilities  
Are Unsurpassed***

**Prompt Service and Reasonable Rates**

**T. R. PRESTON,**  
President

**G. H. MILLER,**  
Vice-President

**H. T. OLMSTED,**  
Vice-President

**C. M. PRESTON,**  
Vice-President

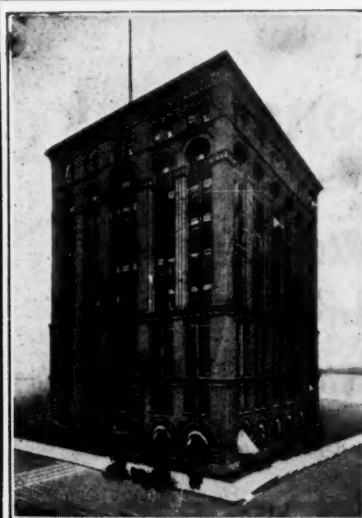
**H. BUSHNELL,**  
Vice-President

**J. B. F. LOWRY**  
Cashier

**S. A. STRAUSS,**  
Assistant Cashier

**D. S. HENDERSON,**  
Assistant Cashier

**E. B. SHADDEN**  
Auditor



## FIDELITY AND COLUMBIA TRUST COMPANY LOUISVILLE, KY.

**Capital, \$2,000,000**

**Surplus, \$750,000**

**JOHN W. BARR, JR.**  
President

**L. W. BOTTS**  
Vice-President

**JOHN T. MALONE**  
Manager

**J. F. SPEED**  
Treasurer

**L. M. RENDER**  
Secretary

**J. LITHGOW SMITH**  
Manager of Sales

**D. F. MURPHY**  
Manager of Rents

**J. D. WINSTON**  
Assistant Treasurer

**WM. I. MORTON**  
Superintendent of Vaults

**J. G. McPHERSON**  
Assistant Secretary

**ARTHUR PETER**  
Trust Counsel

**MENEFFEE WIRGMAN**  
Assistant Secretary

**GEORGE LEWIS**  
Auditor

**L. P. MILLER**  
Assistant Auditor



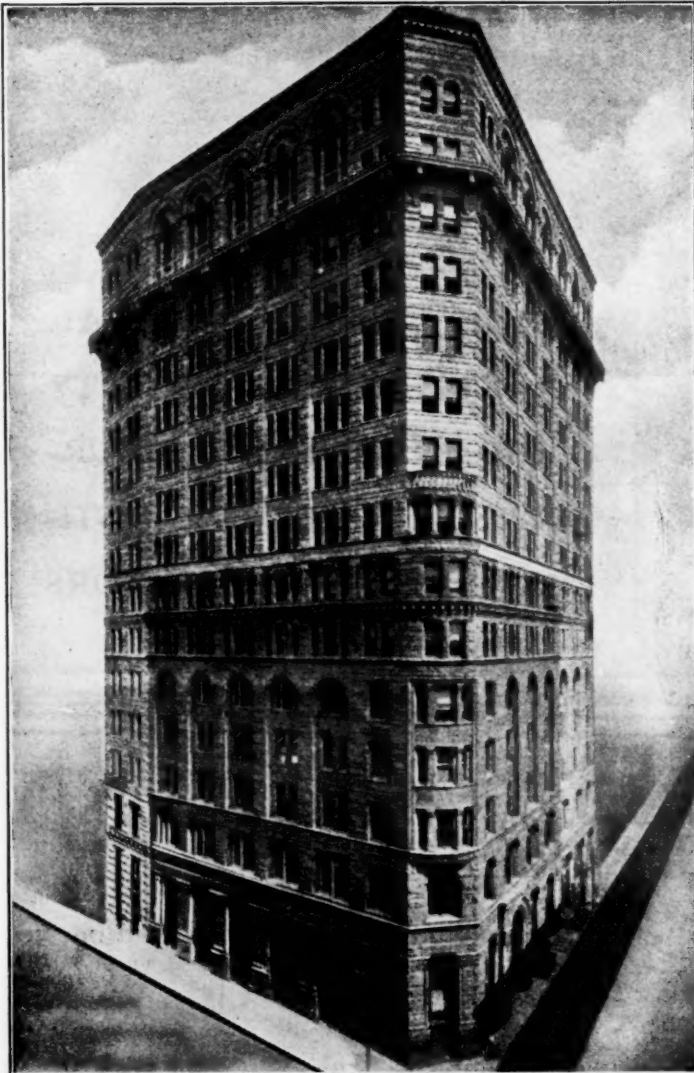
# The Fidelity Trust Company

Charles and Lexington Streets  
BALTIMORE, MD.

EDWIN WARFIELD, President

VAN LEAR BLACK, Vice-President  
SAMUEL M. HANN, Vice-President  
J. H. BEATSON, Sec'y and Asst. Treas.  
F. HOWARD WARFIELD, Trust Officer

W. BLADEN LOWNDES, Vice-President and Treas.  
HENRY D. HARLAN, General Counsel  
GEORGE L. MAHLER, Asst. Sec'y and Asst. Treas.  
C. T. WILLIAMS, Manager Investments



FIDELITY BUILDING,  
CHARLES AND LEXINGTON STS., BALTIMORE.

Acts as Executor, Administrator, Guardian and Trustee, Manages Estates and Collects Incomes.  
Rents Safe Deposit Boxes and Receives Valuables on Storage, Does a General Banking Business. Interest Allowed on Deposits. Issues Letters of Credit and Travelers' Checks.

## BANKING, INVESTMENT, TRUST, REAL ESTATE AND FOREIGN DEPARTMENTS

AUGUST 31, 1916

### RESOURCES

Stocks and Bonds	-	-	-	-	-	-	-	\$4,522,949.63
Loans Secured by Collateral	-	-	-	-	-	-	-	6,421,208.67
Cash in Vault and Depositories	-	-	-	-	-	-	-	2,235,836.28
								<u>\$13,179,994.58</u>

### LIABILITIES

Capital Stock	-	-	-	-	-	-	-	\$1,000,000.00
Surplus and Undivided Profits	-	-	-	-	-	-	-	1,329,091.59
Deposits	-	-	-	-	-	-	-	10,818,902.99
Reserved for Interest and Taxes	-	-	-	-	-	-	-	32,000.00
								<u>\$13,179,994.58</u>

### DIRECTORS

EDWIN WARFIELD,  
President.  
VAN LEAR BLACK,  
Black, Sheridan, Wilson Company.  
HERMAN E. BOSLER,  
Capitalist.  
HOWARD BRUCE,  
Bartlett-Hayward Co.  
SPRIGG D. CAMDEN,  
Pres. Union Tr. & Deposit Co., Parkersburg,  
W. Va.  
CHARLES M. COHN,  
Vice-Prest. Con. Gas, Electric Light &  
Power Co.  
SOLOMON FRANK,  
Capitalist.  
FRANK A. FURST,  
President Maryland Dredging & Contracting  
Co.  
E. STANLEY GARY,  
James S. Gary & Son.  
JOHN S. GIBBS, JR.,  
Gibbs Preserving Company.  
HENRY D. HARLAN,  
General Counsel, The Fidelity Trust Co.  
WILLIAM A. HOUSE,  
President United Railways & Electric Co.  
JOSEPH P. KENNEDY,  
P. Kennedy Foundry Co.  
WILLIAM KEYSER JR.,  
Capitalist.  
W. BLADEN LOWNDES,  
Vice-Pres. Second National Bank, Cumberland.  
SEYMOUR MANDELBAUM,  
Capitalist.  
GUSTAVUS OBER, JR.,  
G. Ober & Sons Company.  
THOMAS O'NEILL,  
O'Neill & Co.  
JOHN WALTER SMITH,  
United States Senator.  
GEORGE WARFIELD,  
Capitalist.  
CLARENCE W. WATSON,  
Coal Operator.  
THOMAS A. WHELAN,  
Attorney-at-Law.  
MORRIS WHITRIDGE,  
Whitridge, White & Company.  
JOHN H. WIGHT,  
President Sherwood Distilling Company.

ESTABLISHED 1839

# ROBERT GARRETT & SONS BALTIMORE



HIGH GRADE MUNICIPAL,  
RAILROAD, PUBLIC UTILITY  
AND INDUSTRIAL SECUR-  
ITIES SUITABLE FOR INSTI-  
TUTIONS AND INVESTORS



GERMAN STREET, COR. SOUTH

## UNION TRUST COMPANY BALTIMORE

Modern up to date banking department, being thoroughly equipped to handle all business pertaining to banking.

Interest allowed on deposits subject to check.

Special attention given to handling Reserve Accounts of State banks and Trust companies.

Transacts a general trust business.

### OFFICERS

JOHN M. DENNIS, President  
MAURICE H. GRAPE, Vice President

JOSHUA S. DEW, Secretary  
WM. O. PEIRSON, Treasurer

## The American National Bank OF RICHMOND, VIRGINIA

We are prepared to render quick and intelligent service  
in all matters, particularly those in the FIFTH FEDERAL  
RESERVE DISTRICT.

We would like to correspond or talk with you on the subject.



President.



CHARTERED 1864

# SAFE DEPOSIT AND TRUST COMPANY OF BALTIMORE

13 SOUTH STREET

Capital \$600,000

Surplus and Profits \$2,600,000

Acts as Trustee of Corporation Mortgages. Fiscal Agent for Corporations and Individuals, Transfer Agent and Registrar. Depository under plans of reorganization.

Acts as Executor, Administrator, Guardian, Trustee, Receiver, Attorney and Agent, being especially organized for careful management and settlement of estates of every character.

Fireproof building with latest and best equipment for safety of contents.

Safes for rent in its large fire and burglar proof vaults, with spacious and well lighted coupon rooms for use of patrons.

Securities held on deposit for Out of Town Corporations and Persons.

## DIRECTORS

H. WALTERS, Chairman of Board

JOHN J. NELLIGAN, President

JOHN W. MARSHALL, Vice-Pres't

WALDO NEWCOMER

NORMAN JAMES

DOUGLAS H. THOMAS

ISAAC M. CATE

SAM'L M. SHOEMAKER

BLANCHARD RANDALL

ELISHA H. PERKINS

ROBERT GARRETT

ANDREW P. SPAMER, 2nd Vice-Pres't

GEO. B. GAMMIE, Treasurer



## MARYLAND TRUST COMPANY

N. W. Corner Calvert and German Sts., Baltimore, Md.

Capital, \$1,000,000

TRANSACTS A GENERAL TRUST AND BANKING BUSINESS

### OFFICERS

L. S. ZIMMERMAN.....President  
OSCAR G. MURRAY.....1st Vice-President CARROLL VAN NESS...2nd Vice-President  
JERVIS SPENCER, JR., Secretary-Treasurer IVAN SKINNER Asst. Secy. and Asst. Treas.

### DIRECTORS

E. H. BANKARD RICHARD GWINN JOHN T. STONE  
GEORGE W. FLEMING JOHN T. HILL THEODORE E. STRAUS  
JOSEPH I. FRANCE J. BARRY MAHOOL ARTHUR G. WELLINGTON  
ROBERT GARRETT HENRY C. MATTHEWS HENRY B. WILCOX  
B. HOWELL GRISWOLD, Jr. C. WILBUR MILLER L. S. ZIMMERMAN  
OSCAR G. MURRAY

Correspondence and Interviews Invited

TREASURY  
DEPARTMENT  
SERVICE  
AT WASHINGTON



## LET US SERVE YOU

### IT COVERS:

1. Witnessing the Destruction of Mutilated National Bank Notes.
2. Examining Bonds Deposited with the Treasurer of the United States to Secure Circulation and Government Deposits.
3. Forwarding Incomplete National Bank Notes by Registered Mail Insured.
4. Telegraphing Advice of Comptroller's Calls.
5. Making Deposits Account of 5 per cent. Fund. Transfer of Funds. Circulation Tax.

Capital and Surplus, \$1,250,000

Branches: PANAMA CITY AND CHRISTOBAL, C. Z.

## THE COMMERCIAL NATIONAL BANK OF WASHINGTON

A. G. CLAPHAM, President

JAS. A. CAHILL, Vice-President

T. K. SANDS, Vice-President and Cashier

# ***The Real Estate Trust Co. of Philadelphia***

**Broad and Chestnut Streets**

---

**CAPITAL \$3,753,100**

Solicits Deposits of Firms, Corporations and Individuals—Interest Allowed

*Is fully equipped to handle all Business pertaining to a Trust Company,  
in its Banking, Trust, Real Estate and Safe Deposit Departments*



***George H. Earle, Jr., President***

***S. F. Houston, Vice-President***

***John A. McCarthy, Trust Officer***

***Edw. S. Buckley, Jr., Treasurer***

***William R. Philler, Secretary***

## **Directors**

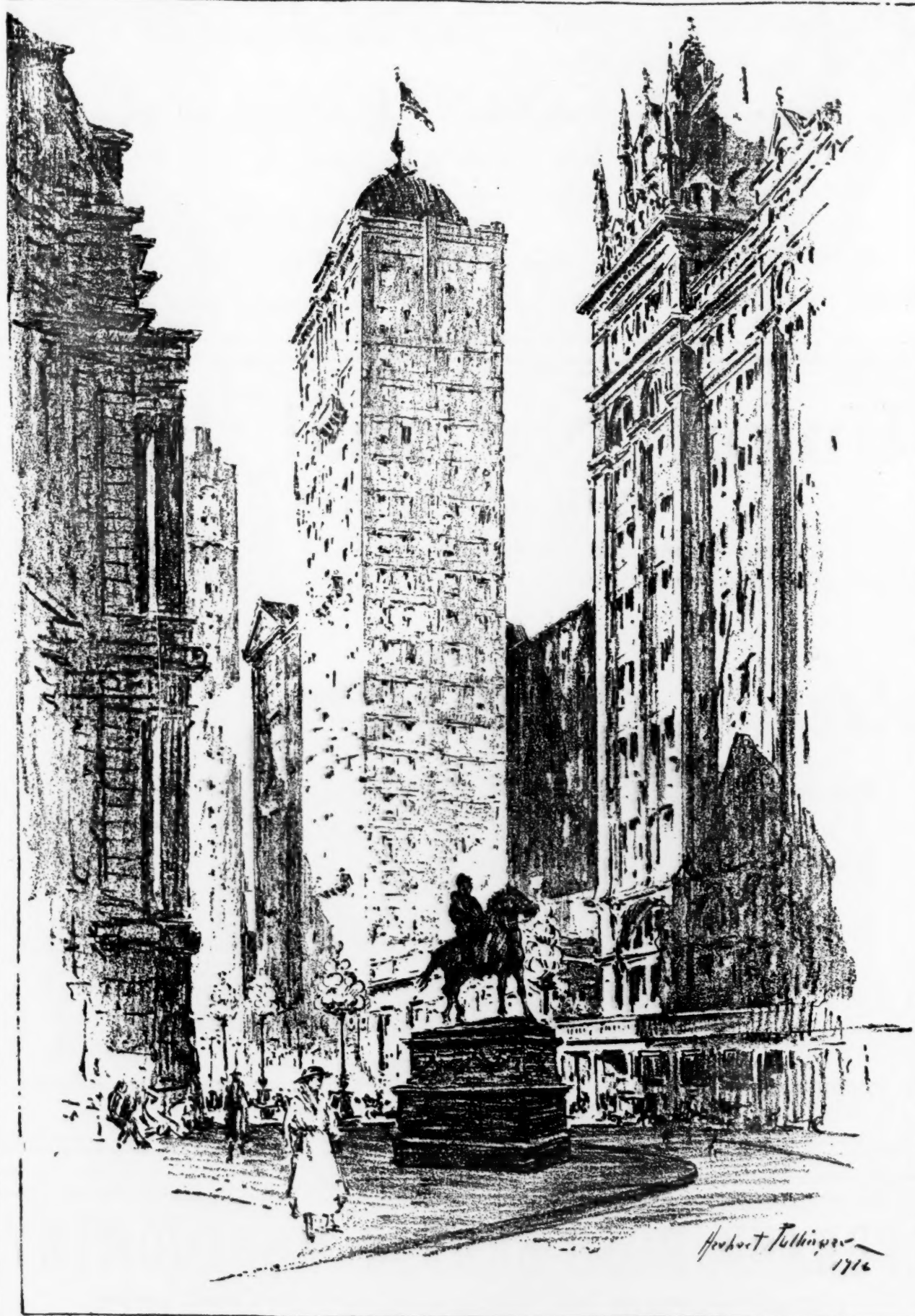
***George H. Earle, Jr.  
Edward P. Borden  
Frank C. Roberts  
James F. Sullivan***

***Cyrus H. K. Curtis  
Samuel F. Houston  
William A. Patton  
Richard Y. Cook***

***J. Levering Jones  
George Woodward, M.D.  
R. Dale Benson  
Bayard Henry***

***John Gribbel  
Louis J. Kolb  
J. Wallace Hallowell***





**Commercial Trust Company**  
**Philadelphia**



*The kind of banks that  
carry accounts with the*

## CORN EXCHANGE

NATIONAL BANK, Philadelphia

*is conclusive proof of its  
high standing.*

# Union National Bank

## PHILADELPHIA

Capital, Surplus and Undivided Profits - - - \$975,000.00

Total Resources Over - - - - - \$10,000,000.00

Modern  
In  
Service



Old in  
Location and  
Experience

J. S. McCULLOCH, President  
T. H. CONDERMAN, Vice-President      LOUIS N. SPIELBERGER, Vice-Pres. & Cashier  
SAMUEL CAMPBELL, Assistant Cashier

## LYBRAND, ROSS BROS. & MONTGOMERY

### CERTIFIED PUBLIC ACCOUNTANTS

*Offices:*

NEW YORK  
PITTSBURGH

PHILADELPHIA  
BOSTON

CHICAGO  
NEW HAVEN

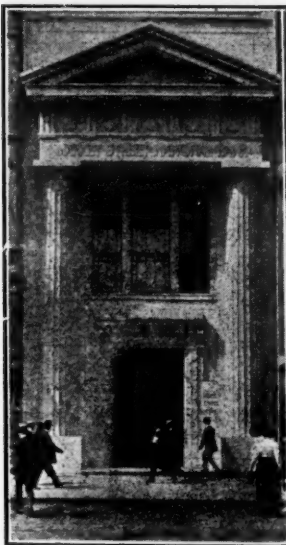
*Agencies:*

SAN FRANCISCO  
KANSAS CITY  
NEW ORLEANS

LOS ANGELES  
LONDON, ENGLAND

SEATTLE  
DALLAS  
SAVANNAH





## The Market Street National Bank PHILADELPHIA

JAMES F. SULLIVAN, President  
GEORGE H. EARLE, JR., Vice-President

WM. P. SINNETT, Cashier  
FRED. F. SPELLISSY, Asst. Cashier

Capital	-	-	\$1,000,000
Surplus and Net Profits	-	-	1,400,000
Deposits	-	-	12,500,000
Total Resources over	-	-	16,000,000

ACCOUNTS SOLICITED      CORRESPONDENCE INVITED  
COLLECTION FACILITIES FIRST CLASS

## The First National Bank Chartered

Organized, Equipped and  
Conducted for SERVICE

You Appreciate Good Service

We Appreciate Your Business

*Correspondence Invited*

# First National Bank

of Philadelphia  
Charter Number One

### OFFICERS

WILLIAM A. LAW, President  
KENTON WARNE, Vice-President  
THOMAS W. ANDREW, Cashier

CHAS. H. JAMES, Assistant Cashier  
FREAS B. SNYDER, " "  
HARRY J. HAAS, " "

Total Resources



\$37,000,000

## THIRD NATIONAL BANK PHILADELPHIA

*A Commercial Bank in a Commercial Centre*

Capital, \$600,000.00      Surplus, \$800,000.00

LEWIS R. DICK, President  
G. BRINTON ROBERTS, Vice President      WM. T. TOMLINSON, Assistant Cashier  
W. CLIFFORD WOOD, Cashier      SAMUEL GRAHAM, Jr., Assistant Cashier

We solicit the collection of drafts and other items that require personal presentation, and shall give good service at a reasonable charge. Our department is well-equipped, and all branches of our business conducted on intelligent and liberal lines.

1866—FIFTY YEARS—1916

## **BODINE, SONS & CO.**

COMMERCIAL PAPER

COLLATERAL LOANS NEGOTIATED

129 SOUTH FOURTH STREET

PHILADELPHIA, PA.

SPECIALISTS IN PENNSYLVANIA STATE TAX FREE SECURITIES

### **HARPER & TURNER**

Investment Securities

1000-1012 STOCK EXCHANGE BUILDING

PHILADELPHIA

Members Philadelphia Stock Exchange

*Established 1893*

## **MORRIS BROTHERS COMPANY**

PHILADELPHIA

*HIGH-GRADE MUNICIPAL, RAILROAD  
AND PUBLIC UTILITY BONDS.*

**MORRIS BROTHERS Inc.**

PORTLAND, ORE.

*PACIFIC COAST SECURITIES A SPECIALTY*

## **ERVIN & CO.**

**BANKERS**

## **INVESTMENT SECURITIES**

**Drexel Building**

**Philadelphia**

MEMBERS OF THE NEW YORK AND PHILADELPHIA STOCK EXCHANGES  
BRANCH OFFICE: 206 REAL ESTATE TRUST BUILDING.



# Mellon National Bank

PITTSBURGH, PA.

---

**S**ITUATED in the "Industrial Center of the Country," with long experience in handling the accounts of other banks, the "MELLON BANK" is in a position to offer perfect service on very attractive terms to other banks, bankers and trust companies.

---

A. W. MELLON, President  
R. B. MELLON, Vice-President  
A. C. KNOX, Vice-President  
W. S. MITCHELL, Vice-President

A. W. McELDOWNEY, Vice-President  
B. W. LEWIS, Cashier  
H. S. ZIMMERMAN, Assistant Cashier  
E. M. FOSTER, Assistant Cashier

**CAPITAL, SURPLUS and UNDIVIDED PROFITS \$9,630,000**

## THE PEOPLES NATIONAL BANK

PITTSBURGH, PA.

This Bank has enjoyed to an unusual degree the prosperity which is manifested so clearly in the Pittsburgh District.

On September 12th, 1914, its deposits were	-	\$13,239,000
" September 2nd, 1915, " " "	-	\$18,570,000
" September 12th, 1916, " " "	-	\$23,955,000

An Increase of over \$10,000,000 in two years

*ACCOUNTS OF BANKS, BANKERS AND TRUST COMPANIES INVITED*

**CAPITAL AND SURPLUS - - - \$2,900,000**

## GLOVER & MACGREGOR

INVESTMENT SECURITIES

*Municipal, Public Utility, Iron and Steel Bonds*

Specialists in Securities of the American Water Works and Electric and West Penn Traction Companies and their subsidiary companies

**345 FOURTH AVE.**

**PITTSBURGH**

# MOORE, LEONARD & LYNCH

*Brokers*

FRICK BLDG.  
PITTSBURGH

111 BROADWAY  
NEW YORK

MEMBERS

NEW YORK, PHILADELPHIA, PITTSBURGH  
AND CHICAGO STOCK EXCHANGES

---

*Private Wires to Pittsburgh and Philadelphia*

---

Steel, Iron and Coal Securities

# Donner, Childs & Woods

BROKERS

UNION BANK BUILDING

PITTSBURGH, PA.

MEMBERS

NEW YORK STOCK EXCHANGE  
PHILADELPHIA STOCK EXCHANGE  
PITTSBURGH STOCK EXCHANGE  
CHICAGO BOARD OF TRADE

High Grade Investment Bonds a Specialty

# A. E. MASTEN & CO.

BROKERS

Members New York Stock Exchange, Boston Stock Exchange, Pittsburgh  
Stock Exchange, Chicago Stock Exchange, Chicago Board of Trade

PITTSBURGH, PA.

Branch Office: Wheeling, W. Va.



# THE FIRST-SECOND NATIONAL BANK

OF PITTSBURGH, PENNSYLVANIA

*Capital, Surplus and Profits in Excess of Five Million Dollars*

*Total Assets Twenty-seven Million Dollars*

Business of Banks and Bankers is handled Promptly, Satisfactorily and Economically. Our facilities cover the entire Globe

LAWRENCE E. SANDS, President  
FRANK F. BROOKS, Vice Pres. and Cashier

CLYDE C. TAYLOR, Assistant Cashier  
T. B. HUDSON, Assistant Cashier

## THE ATLANTIC SAFE DEPOSIT and TRUST CO. ATLANTIC CITY, N. J.



Capital, \$150,000

Surplus and Profits, \$500,000.00

TRANSACTS A GENERAL BANKING AND TRUST BUSINESS

### OFFICERS

JOSEPH THOMPSON,  
President and Trust Officer

LEWIS EVANS,  
Vice-President

M. D. YOUNGMAN,  
2nd Vice-President

SILAS SHOEMAKER  
Secretary and Treasurer

## Commercial Trust Company of New Jersey

*Capital, Surplus and Profits over \$3,500,000.*

*Assets over . . . . . \$25,000,000.*

GENERAL BANKING AND TRUST BUSINESS. INTEREST PAID ON CHECK ACCOUNTS  
OFFICES: JERSEY CITY, N. J.

### Officers:

JOHN W. HARDENBERGH, President  
WILLIAM J. FIELD, Vice-President  
JAMES G. MORGAN, Vice-President  
ALBERT I. DRAYTON, Vice-President  
JAY S. PERKINS, Sec'y and Treas.  
J. RICHARD TENNANT, Asst. Secretary

ROBERT S. CARMICHAEL, Asst. Treasurer  
J. HENRY CASTENS, Asst. Treasurer  
CHARLES L. DECKER, Asst. Treasurer  
S. LEROY HETRICK, Asst. Secretary  
EDWARD HENN, Asst. Secretary  
LYMAN H. OPDYCKE, Asst. Secretary

**SAFE DEPOSIT VAULTS**

## DAY & ZIMMERMANN

CONSTRUCTING

ARCHITECTS



ENGINEERS

MANAGERS

*Write for "Architecture and Industry"*

611 CHESTNUT STREET,

PHILADELPHIA

Oldest Trust Company in Morris County, New Jersey. Established in 1892

# MORRISTOWN TRUST COMPANY

Morristown, N. J.  
SAMUEL FREEMAN, President

**RESOURCES ABOUT TEN MILLION DOLLARS**

A safe place to put your money where you can get it when wanted; with interest from date deposited until date withdrawn—always subject to daily check—payable through New York Clearing House

## DIRECTORS

Samuel Freeman  
Willard W. Cutler  
G. G. Frelinghuysen  
O. H. Kahn  
Walter G. Oakman

Henry F. Taylor  
Louis A. Thebaud  
John H. Capstick  
James N. Wallace  
A. R. Whitney, Jr.

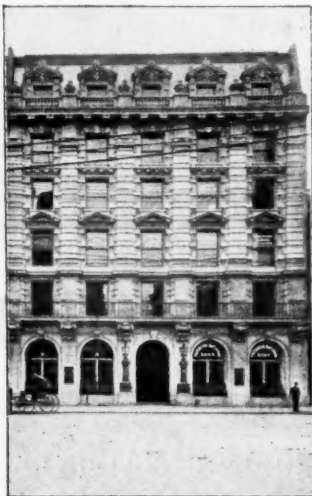
James B. Duke  
Granville M. White  
Harrie T. Hull  
William V. S. Thorne  
S. Harold Freeman

Nicholas F. Brady  
J. W. Ogden  
Charles H. Sabin  
Frederick Strauss  
Robert H. McCurdy

## PATERSON NATIONAL BANK

PATERSON, N. J.

United States and State Depository



Capital  
\$300,000  
  
Surplus  
and  
Profits  
\$490,000  
  
Deposits  
\$2,900,000

Hon. JOHN W. GRIGGS, President  
ELMER Z. HALSTED, Vice-President  
DANIEL H. MURRAY, Cashier

*Collections our Specialty. Quick remittances and Small charges*  
**Accounts and Correspondence Invited**

## FIRST NATIONAL BANK

PATERSON, N. J.



1864

1916

**CAPITAL AND SURPLUS, \$1,200,000**  
RESOURCES, \$5,500,000

EDWARD T. BELL,  
President  
ROBERT J. WELDEN,  
Vice-President

WHITFIELD W. SMITH,  
Cashier  
FREDERICK D. BOBERT,  
Asst. Cashier

Collections remitted for on day of payment



## UNION COUNTY TRUST COMPANY

ELIZABETH, N. J.

DEPOSITS - \$6,141,555.14  
CAPITAL AND SURPLUS 698,630.83

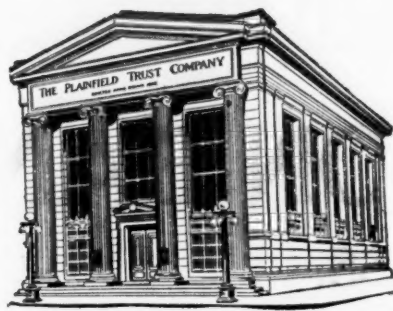
## OFFICERS

CHARLES H. K. HALSEY, President  
LOUIS F. HERSH, Vice-President RUSSELL W. LEWIS, Sec'y and Trust Officer  
EDWARD A. FAULKS, Treasurer



## THE PLAINFIELD TRUST COMPANY

PLAINFIELD, N. J.



**Capital and Surplus \$600,000.00**

This institution's broad connections and strong organization insure efficient service.

**Resources over \$7,000,000.00**

### OFFICERS

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AUGUSTUS V. HEELY, Vice-President  
J. HERBERT CASE, Vice-President

DEWITT HUBBELL, Sec'y & Treasurer  
F. IRVING WALSH, Asst. Sec'y-Treas.  
ADELE H. KIRBY, Assistant Treasurer

ESTABLISHED 1873

## CAMDEN SAFE DEPOSIT AND TRUST COMPANY

CAMDEN, N. J.

SEPT. 12, 1916

**Capital, Surplus and Undivided Profits, \$1,495,833.46**

**Deposits . . . . . 7,863,410.52**

**Trust Funds . . . . . 9,000,000.00**

*Well equipped for the settlement of estates, care of trust funds and other financial business*

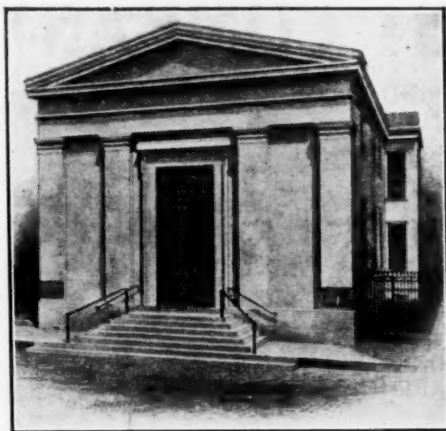
ALEXANDER C. WOOD, President

WILLIAM S. SCULL, Vice-President

EPHRAIM TOMLINSON, Vice-Pres. and Trust Officer

JOSEPH LIPPINCOTT, Secretary and Treasurer

GEORGE J. BERGEN, Solicitor



Second Oldest Bank in New Jersey

## The Trenton Banking Company

TRENTON, N. J.

Chartered by the State of New Jersey, Dec. 3, 1804, this bank has continued in business ever since that time at the same location.

**Capital and Surplus, \$1,150,000**

**Deposits, \$3,500,000**

Send Us Your Trenton Business. We guarantee prompt, careful attention.

### OFFICERS

JOHN A. CAMPBELL, President  
HENRY W. GREEN, Vice-President  
FOSTER C. GRIFFITH, Vice-President

WM. E. GREEN, Assist. to Pres.  
ROBERT W. HOWELL, Cashier  
IRA FROST, Assistant Cashier

## CENTRAL TRUST COMPANY

CAMDEN, N. J.

DEPOSITS - - - \$2,253,436.32

RESOURCES - - - 2,653,436.32

TRUST FUNDS - - - 1,250,000.00

**We have unexcelled facilities for handling collections, and will remit daily or weekly at lowest rates**

H. H. GRACE, M.D., President

CASPER T. SHARPLESS, Vice-President

MONTREVILLE SHINN, Asst. Sec. and Treas.

JOHN B. CLEMENT, 2nd V.-P., Sec.-Treas.

C. CHESTER CRAIG, Trust Officer

Capital \$1,000,000

Surplus \$1,000,000

Total Resources \$15,000,000

INCORPORATED 1792

# NATIONAL UNION BANK

## BOSTON, MASS.

An independent bank of medium size, well organized to render the best of service. One of the oldest banks in the United States, its charter having been signed by John Hancock in 1792, it has an honorable record of one hundred and twenty-four years of continuous service to the public.

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ARTHUR E. FITCH, Cashier

JOHN W. MARNO, Assistant Cashier



## FEDERAL TRUST COMPANY

CORNER OF DEVONSHIRE AND WATER STREETS

BOSTON, MASS.

*We want to handle your business*

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JAMES W. KENNEY, } Vice Presidents  
JOHN C. HEYER, }  
SAMUEL A. MERRILL, Treasurer

ALBION F. BEMIS, Actuary-Secretary  
EDWARD B. LYNCH, Asst. Treas.

Total Resources - - \$10,000,000

## PRESENT-DAY PROBLEMS

That Confront the Average Investor Require Skilled Advice

We are equipped to analyze economic situations and to act as financial advisers of investors, attorneys, trustees and executors.

### SOLLERS, PHILLIPS & CO.

INCORPORATED

INVESTMENT SECURITIES

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BOSTON, MASS.

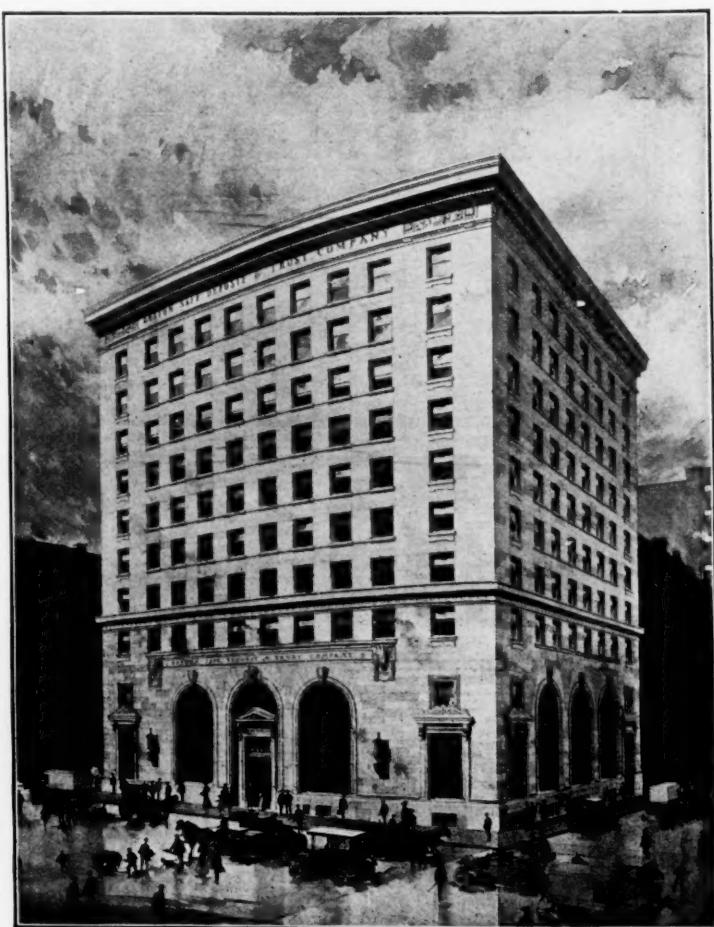


# Boston Safe Deposit & Trust Company

100 Franklin Street, Boston

*IN ACTIVE BUSINESS SINCE 1875*

Capital \$1,000,000	Deposits \$16,000,000
Surplus and Undivided Earnings } \$3,000,000	



## OFFICERS

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President.  
WILLIAM H. WELLINGTON,  
Vice-President.  
WILLIAM C. WILLIAMS,  
Vice-President.  
GEORGE E. GOODSPEED,  
Treasurer.  
EDWARD E. STEVENS,  
Assistant Treasurer.  
ROLAND E. CHAFEY,  
Assistant Treasurer.  
HERBERT D. HEATHFIELD,  
Secretary.  
FRANCIS J. BURRAGE,  
Assistant Secretary.  
MARVIN SPRAGUE,  
Trust Officer.  
WILLARD T. CARLETON,  
Asst. Trust Officer.  
ROBERT L. SHEWELL,  
Real Estate Officer.  
WILLIAM E. NUTTING,  
Manager Safe Deposit Department.  
EDWARD C. BURRAGE,  
Asst. Mgr. Safe Deposit Department.

## DIRECTORS

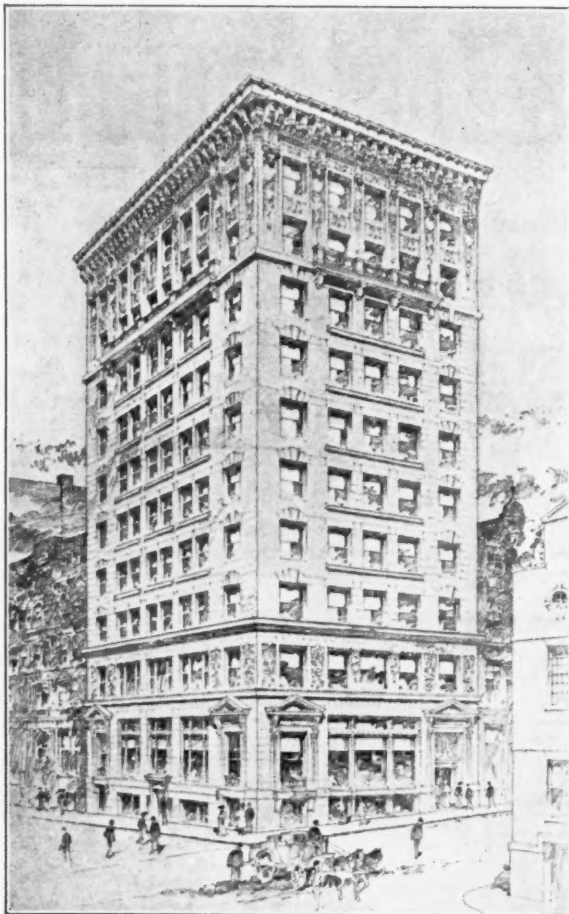
Henry S. Shaw	George W. Wheelwright
Nathaniel J. Rust	John W. Farwell
Wallace L. Pierce	C. Minot Weld
Costello C. Converse	William H. Wellington
Edward W. Hutchins	Nathaniel Stevens
Elwyn G. Preston	John S. Lawrence
Charles E. Rogerson	Lewis A. Crossett
Richard M. Saltonstall	Charles F. Dowse
Jerome Jones	Amor Hollingsworth
Nathaniel F. Ayer	Henry G. Brooks
	Herbert Lyman

We solicit the accounts of individuals, corporations, firms and banks and allow interest.

We are authorized to act as Executor and Trustee under wills, Trustee under individual indentures and Administrator of estates. In the above capacities we now hold over Twenty-nine Million Dollars (\$29,000,000).

We act as Trustee under Railroad and other corporate mortgages, Transfer Agent, Fiscal Agent and Registrar of Transfers, and have departments admirably equipped to care for this business.

We rent Safe Deposit boxes from \$10 to \$350 per year, affording absolute protection for securities or valuables. Our Safe Deposit Vault is the **LARGEST IN NEW ENGLAND.**



# ESTABROOK & CO.,

## *Investment Securities*

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# PARKINSON & BURR

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NEW YORK

WE FINANCE

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AND OFFER

**Bankers, Individuals and Investment Dealers the Securities of  
Public Utility Corporations with Established Earnings**

**Our Statistical Department is Equipped to Furnish Dependable Information on Public Service Corporation Issues  
and Invites Inquiries**

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**Turks Head Building**

**NEW YORK  
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**WORCESTER  
AUGUSTA**



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INCORPORATED

Purchasers  
and  
Distributers  
of  
Public  
Utility Bonds

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Boston

61 Broadway

New York

## BAKER, AYLING & YOUNG

Gas, Electric Light, Water Power

Bonds and Preferred Stocks

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PHILADELPHIA

SPRINGFIELD

CHICAGO

## HOTCHKIN & CO.

INCORPORATED

SPECIALISTS IN UNLISTED SECURITIES

TRADED IN ALL PARTS OF THE WORLD

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## *BONDS FOR INVESTMENT*

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BOSTON

## CROPLEY · M<sup>c</sup>GARAGLE & CO.

INVESTMENT BANKERS

## HIGH GRADE INVESTMENT BONDS

MERCHANTS BANK BUILDING

30 STATE STREET

BOSTON, MASS.

## WALTER S. PLACE

Bonds and Unlisted Stocks

SPECIALIST IN NEW ENGLAND SECURITIES

35 Congress Street  
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Massachusetts

PRIVATE TELEPHONE TO  
Frederic H. Hatch & Co.  
NEW YORK



# **MERRILL OLDHAM & COMPANY**

**We recommend Bonds for Investment**

**35 Congress Street Boston**

## **International Trust Company**

**45 Milk Street**

**Boston, Mass.**

**115 Summer Street**

**Capital \$1,000,000**

**Surplus \$1,000,000**

WITH DIRECT CONNECTIONS THROUGHOUT THE NEW ENGLAND STATES THE INTERNATIONAL TRUST CO.  
PLACES AT YOUR DISPOSAL THEIR COLLECTION SYSTEM, ASSURING YOU OF PROMPT RETURNS  
AND CREDITS. CORRESPONDENCE INVITED.

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FREDERICK AYER, Vice-President	A. FRANCIS HAYDEN, Trust Officer
HENRY L. JEWETT, Vice-Pres. and Sec.	CHESTER B. PIERCE, Asst. Treasurer
CLIFFORD B. WHITNEY, Treasurer	A. EDWARD GARLAND, Asst. Secy.
HOWARD NORTON, Auditor	

## **INDUSTRIAL TRUST CO.**

**Providence, R. I.**

**LARGEST BANK IN RHODE ISLAND**

**Capital Stock \$3,000,000.00**

**Surplus \$4,000,000.00**

**Deposits over \$57,250,025.99**

### **BRANCHES**

**Pawtucket  
Newport**

**Woonsocket  
Bristol**

**Warren  
Pascoag**

**Wickford  
Westerly**

**CORRESPONDENCE INVITED**

# MERCHANTS NATIONAL BANK

WORCESTER, MASS.

Capital and Surplus, \$1,500,000

THE LARGEST NATIONAL BANK IN MASSACHUSETTS OUTSIDE OF BOSTON

**NEW ENGLAND COLLECTIONS A SPECIALTY**

C. A. EVANS  
C. S. PUTNAM

F. A. DRURY  
*Vice-President*  
Cashier

*President*  
A. R. BRIGHAM . *Asst. Cashier*  
E. W. JENKINS . *Asst. Cashier*



One Hundred and Twenty-four Years Old

## HARTFORD-ÆTNA NATIONAL BANK

HARTFORD, CONN.

Capital \$2,000,000

Surplus and Profits \$2,000,000

C. E. CHASE, Chairman of the Board  
F. P. FURLONG, V.-Pres.  
A. G. BRAINERD, Cashier  
E. M. CRAMPTON, Asst. Cash.

A. SPENCER, Jr., President  
H. T. HOLT, V.-Pres.  
W. S. ANDREWS, Asst. Cash.  
D. W. HUBBARD, Asst. Cash.

**Special Attention Given Hartford Collections**



**Send us your items on Buffalo and Western New York. Our service is prompt and efficient. Charges reasonable.**

JOHN W. ROBINSON, President  
WILLIAM A. MORGAN, Vice-President  
WILLARD F. HOPKINS, Vice-President  
HOWARD H. BAKER, Vice-President  
GEORGE A. DRUMMER, Cashier

Capital . . \$1,000,000.00

OUR NEW BUILDING



Resources over \$8,500,000

## CITIZENS TRUST COMPANY

Utica, N. Y.

General Banking and Trust Business

Send us your Central New York Collections

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E. B. ODELL, Vice President G. LYNN MARRIOTT, Treasurer  
F. H. DOOLITTLE, Secretary S. B. FRENCH, Assistant to President  
R. E. ROBERTS, Auditor



# Bank of Montreal

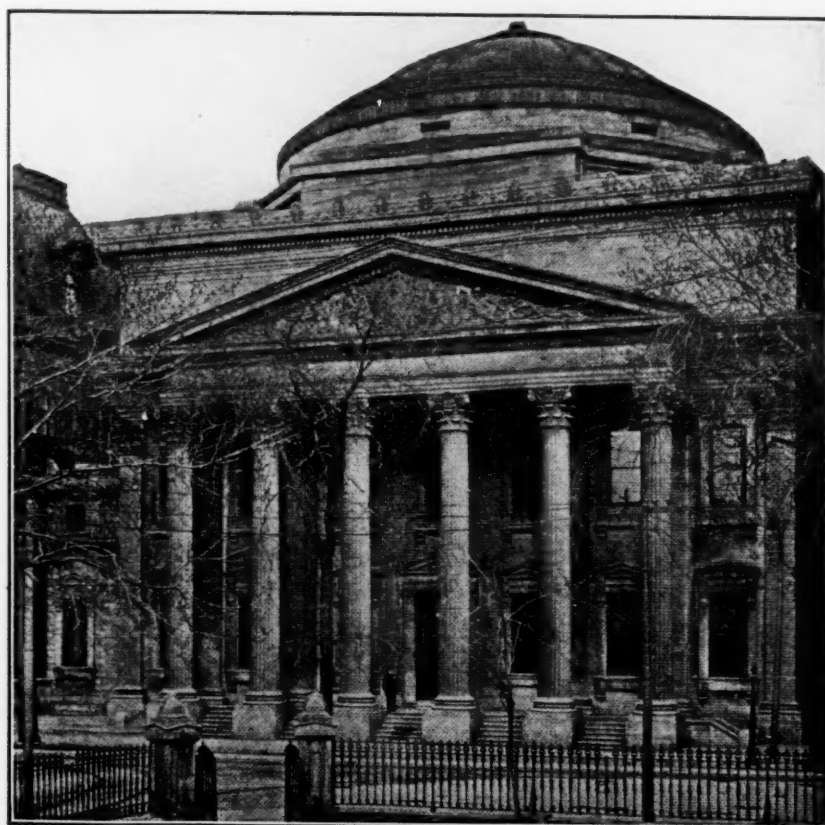
ESTABLISHED 1817

Head Office : : : : MONTREAL, CANADA

---

Capital paid up	-	-	\$16,000,000
Rest	-	-	\$16,000,000
Undivided Profits	-	-	\$1,321,193

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## BOARD OF DIRECTORS

SIR VINCENT MEREDITH, Bart., *President*

R. B. ANGUS

E. B. GREENSHIELDS

SIR WILLIAM MACDONALD

HON. ROBT. MACKAY

LORD SHAUGHNESSY, K. C. V. O.

C. R. HOSMER

A. BAUMGARTEN

C. B. GORDON

H. R. DRUMMOND

D. FORBES ANGUS

WM. MCMASTER

SIR FREDERICK WILLIAMS-TAYLOR, LL. D., *General Manager*

A. D. BRAITHWAITE, *Assistant General Manager*

This Bank, with its Branches in every important city and town in Canada and Newfoundland, with offices also in New York, Chicago, Spokane, and London, England, offers exceptional facilities for the transaction of a General Banking business.

Buys and Sells Sterling and Continental Exchange; issues Commercial and Travelers' Credits, available in any part of the World; issues drafts on and makes collections at all points; also makes transfers to its various offices.

Savings Department connected with each Canadian Branch, and interest allowed at current rates.

---

NEW YORK OFFICE - - - - - 64 WALL STREET

R. Y. HEBDEN, W. A. BOG, J. T. MOLINEUX, Agents

LONDON OFFICES - { 47 THREADNEEDLE ST., E. C.  
                                  { 9 WATERLOO PL., PALL MALL, S. W.

G. C. CASSELS, Manager

# The Canadian Bank of Commerce

ESTABLISHED 1867

**CAPITAL, \$15,000,000**

**RESERVE, \$13,500,000**

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L., President

JOHN AIRD, General Manager

H. V. F. JONES, Ass't General Manager



HEAD OFFICE, TORONTO

This bank, having 364 branches in Canada, is enabled to place at the disposal of its Correspondents unexcelled facilities for the transaction of every kind of banking business throughout the Dominion.

Special attention given to the collection of Commercial paper.

ACCOUNTS OF AMERICAN BANKS RECEIVED ON  
FAVOURABLE TERMS—CORRESPONDENCE INVITED

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G. W. B. Heathcote, *Manager*

MEXICO CITY BRANCH  
D. Muirhead, *Ass't Manager*

LONDON, ENGLAND, OFFICE, C. Cambie, *Manager*



# THE BANK OF BRITISH NORTH AMERICA

*Established in 1836. Incorporated by Royal Charter in 1840*

**Paid-up Capital £1,000,000**

**Reserve Fund £620,000**

**HEAD OFFICE, 5 GRACECHURCH ST., LONDON, E. C.**

## COURT OF DIRECTORS

F. R. S. BALFOUR  
JOHN H. BRODIE

J. H. MAYNE CAMPBELL

EDW. ARTHUR HOARE  
E. G. HOARE

FREDERIC LUBBOCK  
C. W. TOMKINSON

GEO. DUNBAR WHATMAN

JACKSON DODDS, Secretary

W. S. GOLDBY, Manager

**Head Office in Canada, 140 St. James St., Montreal**

H. B. MACKENZIE, General Manager

JAMES ANDERSON, Superintendent of Branches

H. A. HARVEY, Superintendent of Eastern Branches, Montreal

J. McEACHERN, Superintendent of Central Branches, Winnipeg

O. R. ROWLEY, Chief Inspector

J. H. GILLARD and N. V. R. HUUS, Inspectors, Montreal

A. S. HALL, Inspector of Branch Returns

## BRANCHES IN CANADA

Agassiz, B. C.  
Alexander, Man.  
Ashcroft, B. C.  
Battleford, Sask.  
Belmont, Man.  
Bobcaygeon, Ont.  
Boucherville, P. Q.  
Bow Island, Alta.  
Brandon, Man.  
Brantford, Ont.  
Bromhead, Sask.  
Cainsville, Ont.  
Calgary, Alta.  
Campbellford, Ont.  
Ceylon, Sask.  
Darlingford, Man.  
Davidson, Sask.  
Dawson, Yukon.  
Duck Lake, Sask.  
Duncan, B. C.  
Edmonton, Alta.  
Esquimalt, B. C.  
Estevan, Sask.  
Fenelon Falls, Ont.

Fredericton, N. B.  
Girvin, Sask.  
Halifax, N. S.  
Hamilton, Ont.  
" Westinghouse Av.  
" Victoria Av.  
Hedley, B. C.  
Kandahar, Sask.  
Kaslo, B. C.  
Kelliher, Sask.  
Kerrisdale, B. C.  
Kingston, Ont.  
Lampman, Sask.  
Lillooet, B. C.  
London, Ont.  
" Market Sq.  
Longueuil, P. Q.  
Macleod, Alta.  
Midland, Ont.  
Montreal, P. Q.  
" St. Catherine St.  
" Rosemount.  
North Battleford, Sask.

North Vancouver, B. C.  
Oak River, Man.  
Ottawa, Ont.  
Prince Rupert, B. C.  
Prince George, B. C.  
Punnichy, Sask.  
Quebec, Que.  
" St. John's Gate  
Quesnel, B. C.  
Raymore, Sask.  
Regina, Sask.  
Reston, Man.  
Rhein, Sask.  
Rossland, B. C.  
Rosthern, Sask.  
St. Catherines, Ont.  
St. John, N. B.  
" Union St.  
" Haymarket Sq.  
St. Stephen, N. B.  
Saltcoats, Sask.  
Saskatoon, Sask.  
Selkirk, Man.

Semans, Sask.  
Toronto, Ont.  
" { King and  
" { Dufferin Sts  
" { Bloor and  
" { Lansdowne  
" { Queen St. and  
" { Beach Ave.  
" Royce Av.  
Trail, B. C.  
Vancouver, B. C.  
Varennes, P. Q.  
Verdun, P. Q.  
Victoria, B. C.  
Wakaw, Sask.  
Waldron, Sask.  
Weston, Ont.  
West Toronto, Ont.  
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" McGregor  
Wynyard, Sask.  
Yorkton, Sask.  
150 Mile House, B. C.

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**SAN FRANCISCO, A. G. FRY and A. S. IRELAND, Agents 264 California St.**

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Drafts on South Africa and West Indies may be obtained at the Bank's Branches  
Issues Travellers Credits available in all parts of the World

**AGENTS IN CANADA FOR COLONIAL BANK, LONDON, AND WEST INDIES**  
**AGENTS IN NEW YORK FOR BANCO DE LONDRES Y MEXICO, MEXICO CITY AND BRANCHES**

# Imperial Bank of Canada

HEAD OFFICE—TORONTO

Capital Paid up \$7,000,000

Reserve Fund \$7,000,000

PELEG HOWLAND, President

EDWARD HAY, Gen'l Mgr.

WILLIAM MOFFAT, Asst. Gen'l Mgr.

119 BRANCHES THROUGHOUT CANADA



WINNIPEG BRANCH

## Agents in United States

New York—Bank of the Manhattan Co.

Chicago—First National Bank

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Lloyds Bank Limited

Commercial Bank of Scotland, Ltd.

All foreign banking business is accorded the most thorough attention.

Correspondence invited.

## CANADIAN GOVERNMENT MUNICIPAL AND CORPORATION BONDS

### SERVICE

Fifteen years of service to investors in Canadian Bonds places us in a position to offer all facilities to aid in satisfactory buying, selling or investigating this security.

Any enquiry with respect to Municipal, Railroad, Public Utility or Standard Industrial issues of the Dominion of Canada will receive our best attention and advice.

We invite enquiries.

## DOMINION SECURITIES CORPORATION LIMITED.

Established 1901

HEAD OFFICE  
26 KING STREET EAST  
TORONTO

E. R. Wood - - - President  
O. A. Morrow - Vice-President  
J. W. Mitchell - Vice-President  
J. A. Fraser - - - Secretary  
W. S. Hodgins - - Treasurer  
T. H. Andison - Ass't Secretary  
A. F. White - - Ass't Treasurer

MONTREAL BRANCH  
Canada Life Building  
R. W. Steele - - Manager

LONDON, ENG., BRANCH  
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A. L. Fullerton, Manager



# Canadian Bonds for Investment

GOVERNMENT  
PUBLIC UTILITY

MUNICIPAL  
INDUSTRIAL

*Canadian Securities Offer  
Most Attractive Opportunities  
for Safe and Profitable Investment.  
We Invite Correspondence.:.:.:*

BOOKLET "C" SENT ON REQUEST

ROYAL SECURITIES CORPORATION  
LIMITED  
MONTREAL, CANADA

# BANK OF TORONTO

HEAD OFFICE: TORONTO, CANADA

INCORPORATED 1855



HEAD OFFICE: TORONTO, CANADA

Capital . . . . \$5,000,000  
Reserved Funds 6,439,382

Complete facilities for  
making prompt collec-  
tions throughout Canada  
and for banking business  
of every description.

AGENTS IN UNITED STATES

NEW YORK, Nat. Bank of Commerce  
CHICAGO, First National Bank.  
BUFFALO, Manufacturers' & Traders'  
National Bank.  
ST. LOUIS, National Bank of Commerce.

W. G. GOODERHAM, President  
JOSEPH HENDERSON, Vice-Pres.

THOS. F. HOW, General Manager

115 Branches in Ontario, Quebec and the West  
ASSETS, \$66,000,000

## CANADIAN

Government, Municipal and Corporation  
BONDS

# A. H. MARTENS & CO.

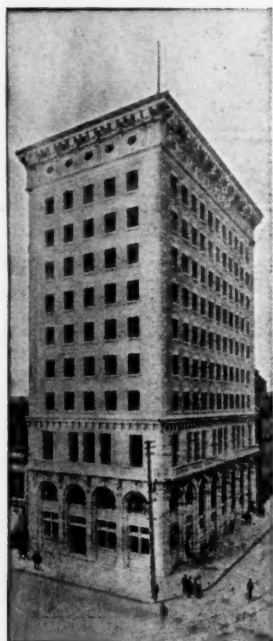
MEMBERS TORONTO STOCK EXCHANGE

61 Broadway, New York

Royal Bank Bldg., Toronto

DIME BANK BUILDING, DETROIT

## UNION BANK OF CANADA



HEAD OFFICE, WINNIPEG

## Head Office - WINNIPEG

Established 1865

Paid-up Capital and Reserve Fund, \$8,400,000

Total Assets, Over - \$90,000,000

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JOHN GALT, President

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R. O. McCulloch S. Haas J. S. Hough, K.C.

G. H. BALFOUR, General Manager

H. B. SHAW, Assistant General Manager

F. W. S. CRISPO, Superintendent of Branches and Chief Inspector

### PRINCIPAL CORRESPONDENTS

LONDON, ENG.—Bank of England

—Parr's Bank, Limited

NEW YORK, N. Y.—The National Park Bank

BOSTON, MASS.—The National Shawmut Bank

CHICAGO, ILL.—The Corn Exchange National Bank

SAN FRANCISCO, CAL.—The Bank of California, N. A.

LONDON, ENG. BRANCHES—6 Princes St., F. W. Ashe, Manager

WEST END BRANCH—26 Haymarket, S. W., P. N. Young, Man.

### BRANCHES IN CANADA

MARITIME PROVINCES	- 2	SASKATCHEWAN	- 93
QUEBEC	- 12	ALBERTA	- 51
ONTARIO	- 90	BRITISH COLUMBIA	- 12
MANITOBA	- 46		

The Bank having over 300 Branches in Canada, extending from Halifax to Prince Rupert, offers excellent facilities for the transaction of every description of Banking Business. It has correspondents in all Cities of importance throughout Canada, the United States, the United Kingdom, the Continent of Europe, and the British Colonies.

Collections made in all parts of the Dominion of Canada and returns promptly remitted at lowest rates of exchange. Letters of Credit and Travelers' Cheques issued available in all parts of the world.

## A. E. AMES & CO.

(Established 1889)

INVESTMENT BANKERS

Government, Municipal and Corporation  
Bonds and Stocks

Members Toronto Stock Exchange

PRIVATE WIRE CONNECTIONS:

Montreal New York Boston Philadelphia

53 King Street West, Toronto.

Transportation Building, Montreal



## Canadian Government and Municipal Bonds

Our lists comprise the highest grade Municipal  
and Government Bonds obtainable in Canada.

Correspondence invited.

### Wood, Gundy & Company

Toronto

14 Wall Street, New York

London

## The Merchants Bank of Canada

ESTABLISHED 64

Head Office: MONTREAL



Reserve Fund and Undivided Profits  
**\$7,250,984**

Capital Paid Up  
**\$7,000,000**

Sir H. MONTAGU ALLAN, President  
K. W. BLACKWELL, Vice-President  
E. F. HEBDEN, Managing Director  
D. C. MACAROW, General Manager

### CANADIAN COLLECTIONS

Having 206 Branches and Agencies in Canada, and over  
2,000 correspondents, this Bank's facilities for making  
collections throughout the Dominion are unsurpassed.

Canadian Checks cashed, and money transferred to  
Canada by mail or telegraph, on favorable terms by the

**NEW YORK AGENCY :: 63-65 WALL STREET**

W. M. RAMSAY, C. J. CROOKALL, Agents

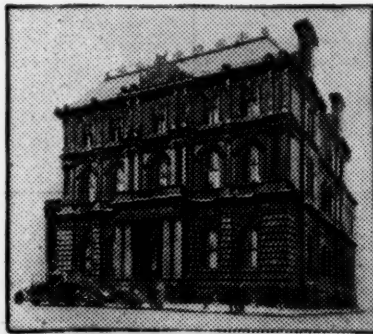
Telephones, Hanover 8057-8058

INCORPORATED 1855

## THE MOLSONS BANK

Head Office: MONTREAL

96 BRANCHES IN CANADA



Capital Paid Up	- - - - -	\$4,000,000
Reserve Fund	- - - - -	4,800,000
Total Assets Over	- - - - -	55,000,000

EDWARD C. PRATT, General Manager

**SPECIAL ATTENTION GIVEN TO COLLECTIONS  
RECEIVED FROM THE UNITED STATES**

# The National Bank of New Zealand

## LIMITED.

*Incorporated in England under the Companies Acts and  
in New Zealand by Special Act of the General Assembly.*

HEAD OFFICE: 17, MOORGATE STREET, LONDON, E. C.

---

AUTHORISED CAPITAL	-	-	-	-	£3,000,000
SUBSCRIBED	„	-	-	-	2,250,000
PAID-UP	„	-	-	-	750,000
RESERVE FUND	-	-	-	-	£700,000
UNCALLED CAPITAL	-	-	-	-	£1,500,000

---

### Directors:

JAMES H. B. COATES.	ROBERT LOGAN, Chairman.	HON. WILLIAM PEMBER REEVES.
HON. HENRY STUART LITTLETON.		THOMAS SEABER.
EDMUND CHARLES MORGAN.		LINDSAY ERIC SMITH.

---

*Secretary and London Manager: HENRY F. FRESHWATER*

---

## BRANCHES AND AGENCIES IN NEW ZEALAND:

ALEXANDRA SOUTH	GORE	PAEROA
AUCKLAND	Waikaia Agency	PALMERSTON NORTH
Do. SYMONDS STREET	GREYMOUTH	PAPAROA
Do. NEWMARKET	HAMILTON	Maungaturoto Agency
Do. NEWTON	HASTINGS	PORT CHALMERS
BALCLUTHA	HOKITIKA	PUKEKOHE
Kaitangata Agency	INVERCARGILL	Tuakau Agency
Owaka Agency	KUROW	REEFTON
BLENHEIM	Dunroon Agency	RIVERTON
CHRISTCHURCH	MILTON	Orepuki Agency
CROMWELL	MOSGIEL	Thornbury Agency
DARGAVILLE	NAPIER	STRATFORD
Aratapu Agency	NELSON	TAPANUI
Te Kopuru Agency	NEW PLYMOUTH	Heriot Agency
Kaihu Agency	Okato Agency	TIMARU
Ruawai Agency	OAMARU	WAIHI
DUNEDIN	ONEHUNGA	WAIUKU
Do. NORTH	OTAUTAU	Aka Aka Agency
Do. SOUTH	Nightcaps Agency	Otaua Agency
GISBORNE	OUTRAM	WANGANUI
		WELLINGTON
		Do. TE ARO

CHIEF OFFICE IN NEW ZEALAND. — WELLINGTON.

General Manager: D. W. DUTHIE.

Assistant General Manager and Inspector: J. M. McLEAN

---

The Bank issues DRAFTS and LETTERS OF CREDIT, makes Telegraphic Transfers, opens Current Accounts, negotiates and collects Bills of Exchange. Receives Deposits of £50 and upwards for 1, 2 or 3 years at 4 per cent. per annum, and conducts every other description of banking business. Correspondents in all parts of the world.



# Standard Bank of South Africa, Ltd.

## HEAD OFFICE

10 CLEMENTS LANE, LOMBARD STREET, LONDON, E. C.

Paid-up Capital.....	£1,548,525 or	\$7,742,625
Reserve Fund.....	£2,000,000 or	\$10,000,000
Reserve Liability of Shareholders.....	£4,645,575 or	\$23,227,875
Deposits.....	£24,555,410 or	\$122,777,050
Total Resources.....	£32,998,470 or	\$164,992,350



Bank Premises, Cape Town, South Africa

Bankers to the Government of the Union of South Africa in the Cape Province; to the Imperial Government in South Africa; and to the Administration of Rhodesia.

About Two Hundred and Fifty Branches and Agencies in Cape Province, Natal, Transvaal, Orange Free State, Basutoland, Rhodesia, British Central Africa, Uganda, East Africa and South West Africa.

**W. H. MACINTYRE**  
AGENT

55 WALL ST., NEW YORK

Also representing  
**The Bank of New South Wales**  
with three hundred and six (306)  
Branches throughout Australasia,  
Fiji, Papua (New Guinea).

# THE CAPITAL AND COUNTIES BANK, Limited

ESTABLISHED 1834

HEAD OFFICE: 39 Threadneedle Street, LONDON

(\$5 = £1.)

Subscribed Capital.....	\$43,750,000
Paid-up Capital.....	8,750,000
Reserve Fund.....	4,000,000

June 30, 1916.

Deposit and Current Accounts.....	241,722,285
Cash in hand, at Call and Short Notice.....	63,543,070
Investments .....	79,920,445
Bills of Exchange, Advances and other Securities.....	111,008,770

This Bank has upwards of 500 offices in England and Wales, and it has over 11,000 Shareholders.

Every kind of Banking business transacted.

## The FOREIGN EXCHANGE DEPARTMENT

issues Currency Drafts on all Cities—Letters of Credit and Notes payable throughout the World—Mail and Telegraphic Transfers. Approved Freight Bills purchased. Commercial Credits established anywhere against usual shipping documents. Shipowners' Freight Remittances and Disbursements to all parts.

## FOREIGN BILLS COLLECTED.

The Bank acts as Agents for American Banks and Trust Companies and invites correspondence.

## AGENTS IN THE UNITED STATES AND CANADA

NEW YORK—The National City Bank of New York  
The National Park Bank

BOSTON—The First National Bank of Boston

CHICAGO—The First National Bank of Chicago

CABLE ADDRESS: Elmfield, London

SAN FRANCISCO—The Wells Fargo Nevada  
National Bank

MONTREAL—The Bank of Montreal

TORONTO—The Canadian Bank of Commerce

CODES: Leibers, Western Union, Peterson's International

# HONGKONG AND SHANGHAI BANKING CORPORATION

HONGKONG, CHINA



HEAD OFFICE, HONGKONG AND SHANGHAI BANKING CORPORATION, HONGKONG

THE Head Office of the Hongkong and Shanghai Banking Corporation is located in Hongkong, China. It was incorporated by Special Ordinance of the Legislative Council of Hongkong, in 1867. It has a paid up Capital of Hongkong currency **\$15,000,000**; Sterling Reserve Fund, **\$15,000,000**; Silver Reserve Fund, **\$18,000,000**. Reserve liability of Proprietors, **\$15,000,000**. December 31, 1915, the current accounts (gold and silver) were **\$213,599,508.64** and the fixed deposits were **\$116,071,089.85** and total assets **\$436,161,135.70**.

It has 36 Branches and Agencies in China, Japan, India, Java, Straits Settlements, Philippines, etc., and Agencies and Correspondents in all the principal cities of the world.

**WADE GARDNER, Agent**  
36 Wall St., New York

# The Yokohama Specie Bank, Ltd.

Yokohama, Japan

Subscribed Capital, Yen 48,000,000

Capital Paid-up, Yen 30,000,000

Reserve Fund, Yen 20,400,000



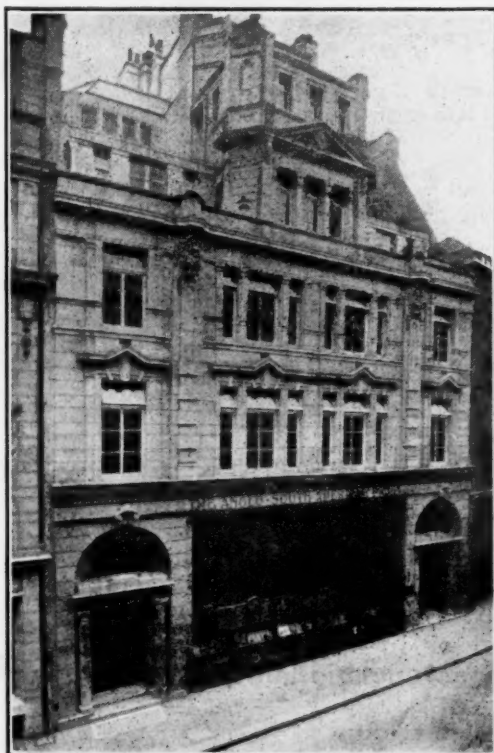
HEAD OFFICE: YOKOHAMA

## BRANCHES AND AGENCIES:

Antung-Hsien	Lyons
Bombay	Nagasaki
Calcutta	Newchwang
Changchun	New York
Darien (Dalny)	Osaka
Fengtien(Mukden)	Peking
Hankow	Ryojun(PortArthur)
Harbin	San Francisco
Honolulu	Shanghai
Hong Kong	Sydney
Kobe	Tiehling
Liaoyang	Tientsin
London	Tokyo
Los Angeles	Tsinanfu
	Tsingtau



# ANGLO-SOUTH AMERICAN BANK, L<sup>D</sup> LONDON



HEAD OFFICES, OLD BROAD STREET, LONDON  
Bills on Europe, South America,  
Australasia, India and South Africa,  
Purchased and Collected.

CAPITAL, (450,000 shares of £10 each)	£4,500,000 or \$22,500,000
PAID UP, - - - -	£2,250,000 or \$11,250,000
RESERVE FUND, - - -	£1,400,000 or \$ 7,000,000
RESERVE LIABILITY OF SHAREHOLDERS	£2,250,000 or \$11,250,000
<b>TOTAL RESPONSIBILITY FOR CREDITORS</b>	<b>£5,900,000 or \$29,500,000</b>

## BANKERS:

Bank of England—Barclay & Co., Ltd.—Capital & Counties  
Bank, Ltd.—London County and Westminster Bank, Ltd.

## BRANCHES:

FRANCE: Paris. GERMANY: Hamburg. SPAIN: Barcelona. CHILI: Valparaiso, Santiago, Iquique, Antofagasta, Copiapó, Coquimbo, La Serena, Chillan, Concepcion, Punta Arenas, Talcahuano. ARGENTINA: Buenos Aires, Bahia Blanca, Deseado, Mendoza, Rio Gallegos, Rosario de Santa Fé, San Rafael. URUGUAY: Monte Video.

## NEW YORK AGENCY, 60 WALL STREET

JOHN CONE, Agent  
FREDERICK CHARLES HARDING, Sub-Agent

Also Correspondents for:—

NATIONAL BANK OF AUSTRALASIA, LTD.  
NATIONAL BANK OF INDIA, LTD.

# Chartered Bank of India, Australia and China

Incorporated by Royal Charter, 1853



CALCUTTA OFFICE

Capital (Gold)  
\$6,000,000.00

Reserve Fund  
\$9,000,000.00

Reserve Liability of  
Shareholders  
\$6,000,000.00

Undivided Profits  
\$651,025.00

Total Assets  
\$148,224,275.00

Branches in China, Japan,  
Philippine Islands, Java,  
Straits Settlements, India and  
Burmah, and Agencies in all  
the principal cities of Europe  
and Australia. Commercial  
and Travelers' Credits issued,  
available in all parts of the  
world. Foreign exchange  
bought and sold.

Head Office: 38 Bishopsgate, LONDON, ENGLAND;

WILLIAM BAXTER, Agent, 88 Wall Street, NEW YORK

# BANK OF NEW SOUTH WALES

(Established 1817)

Total Assets, at 31st March, 1916

**\$310,327,208.00**



LONDON DIRECTORS  
SIR FREDERICK GREEN, Chairman  
H. L. M. TRITTON, Esq.  
W. S. M. BURNS, Esq.  
DAVID GEORGE, Mgr.  
HALKERSTONE MELDRUM, Asst. Mgr.  
J. S. CAMPBELL, Secretary

Paid-up Capital	-	-	\$17,500,000.00
Reserve Fund	-	-	13,375,000.00
Reserve Liability of Proprietors	-	-	17,500,000.00
			<b>\$48,375,000.00</b>

Head Office, SYDNEY, NEW SOUTH WALES

London Office, 29, Threadneedle Street, E. C.

The Bank has 341 BRANCHES and AGENCIES in the Australian States, New Zealand, Fiji, Papua (New Guinea), and London, and Agents and Correspondents all over the World, on whom the London Office grants Circular Letters of Credit and Circular Notes. Also issues Drafts on demand. Makes Mail and Cable Transfers. Negotiates and Collects Bills of Exchange. Receives Deposits for Fixed Periods, on terms which may be known on application, and transacts every description of Australian Banking Business. Wool and Produce Credits arranged.

Represented in New York by the

**Standard Bank of South Africa, Ltd., 55 Wall Street**

## THE LONDON CITY & MIDLAND BANK

ESTABLISHED 1836.

LIMITED.

Head Office—

**5 THREADNEEDLE STREET, LONDON, E.C.**

Telegraphic Address—"CIMIDHO, STOCK, LONDON."

Telephone—2481 LONDON WALL

Foreign Branch Office—8 FINCH LANE, LONDON, E.C.

SUBSCRIBED CAPITAL	-	-	-	-	\$114,739,020
PAID-UP CAPITAL	-	-	-	-	23,903,960
RESERVE FUND	-	-	-	-	20,000,000

Deposit and Current Accounts (30th June, 1916)	-	-	-	-	-	\$787,696,280
Cash in Hand & at Bank of England	-	-	-	-	-	194,440,070
Money at Call and at Short Notice	-	-	-	-	-	42,850,425
Bills of Exchange	-	-	-	-	-	65,237,060
Investments	-	-	-	-	-	189,591,325
Advances, etc.	-	-	-	-	-	325,798,300

OVER 1000 OFFICES IN ENGLAND AND WALES.

**Sir Edward H. Holden, Bart., Chairman**



# PARR'S BANK LIMITED

HEAD OFFICE:

4 BARTHOLOMEW LANE, LONDON, ENGLAND

Telegraphic Address, "PLUTUS, LONDON"

CAPITAL \$5 = £1

Authorised . . . . .	\$75,000,000
Issued . . . . .	60,588,250
Paid up . . . . .	12,117,650
Reserve Fund . . . . .	10,500,000

CECIL F. PARR,  
Chairman

JOHN STEWART,  
General Manager

J. C. ROBERTSON,  
Deputy General Manager

F. W. INGALL,  
Asst. General Manager

The Bank has 332 Branches in England and Wales

Agencies of Foreign and Colonial Banks undertaken

COMMERCIAL CREDITS AND TELEGRAPHIC TRANSFERS ARRANGED

EVERY DESCRIPTION OF BANKING BUSINESS TRANSACTED

# The Union of London & Smiths Bank, Ltd.

HEAD OFFICE

2 Princes Street, London, England

	STERLING
AUTHORIZED CAPITAL.....	£25,000,000
SUBSCRIBED CAPITAL.....	£22,934,100
PAID UP CAPITAL.....	£3,554,785
RESERVE FUND.....	£1,150,000
DEPOSITS & CURRENT ACCOUNTS, 30 JUNE, 1916.....	£48,480,128

SIR FELIX SCHUSTER, BART.,  
Governor.

LINDSAY ERIC SMITH,  
Deputy Governor.

GENERAL MANAGERS

H. H. HART (Town and Foreign).

L. E. THOMAS (Country).

Secretary

H. R. HOARE.

The Bank has Branches or Agents in all the principal Cities and Towns in the United Kingdom and Correspondents throughout the world and undertakes the Agency of Country and Foreign Banks, whether Joint Stock or Private, issues Circular Notes and Letters of Credit, effects purchases and sales in all British and Foreign Stocks and Shares, collects dividends on Stocks and Shares and the half-pay of Officers, Pensions, Annuities, etc., and undertakes Executorships and Trusteeships.

# The Royal Bank of Canada

INCORPORATED 1869

Capital Authorized - - - - - \$25,000,000  
 Capital Paid Up - - - - - 11,990,000  
 Reserve and Undivided Profits - - - 13,236,000  
 Aggregate Assets - - - - - 238,000,000

## Head Office, Montreal

### BOARD OF DIRECTORS

Sir HERBERT S. HOLT, President E. L. PEASE, Vice-President  
 E. F. B. JOHNSTON, K. C., 2nd Vice-President

Hon. DAVID MACKEN	D. K. ELLIOTT	WM. ROBERTSON	W. J. SHEPPARD	C. E. NEILL
JAS. REDMOND	Hon. W. H. THORNE	A. J. BROWN, K. C.	C. S. WILCOX	M. B. DAVIS
G. R. CROWE	HUGH PATON		A. E. DYMENT	G. H. DUGGAN

E. L. PEASE, *Managing Director*  
 C. E. NEILL, *General Manager* F. J. SHERMAN, *Asst. General Manager*  
 W. B. TORRANCE, *Supt. of Branches*



NEW YORK AGENCY, THE ROYAL BANK OF CANADA  
 Corner William and Cedar Streets  
 The entire ground floor of this building has been  
 secured under a long lease

### Branches in Canada:

150 in Ontario and Quebec  
 74 in Maritime Provinces  
 54 in Central Western Provinces  
 40 in British Columbia

### es in Newfoundland

### Branches in South and Central America and West Indies:

Cuba—Havana, Santiago and 20 other points  
 Porto Rico—San Juan and 2 other points  
 Dominican Republic—Sto. Domingo and 3 other points  
 Costa Rica—San Jose and Limon  
 Venezuela—Caracas

### BRITISH WEST INDIES:

Antigua	Dominica	St. Kitts
St. John's	Roseau	Basseterre
Bahamas	Grenada	Trinidad
Nassau	St. George's	Port of Spain, etc.
Barbados	Jamaica	British Guiana
Bridgetown	Kingston	Georgetown, etc.
British Honduras—Belize		

LONDON, Eng.	NEW YORK
Princes St., E. C.	Cor. William and Cedar Sts.

**COLLECTIONS in Canada, South and Central America and the West Indies, etc., handled promptly and on favorable terms**

**A GENERAL BANKING BUSINESS TRANSACTED**



# MAITLAND, COPPELL & Co.

52 William Street, New York

ORDERS EXECUTED FOR ALL INVESTMENT SECURITIES. ACT AS  
AGENTS OF CORPORATIONS AND NEGOTIATE AND ISSUE LOANS

## BILLS OF EXCHANGE, TELEGRAPHIC TRANSFERS, LETTERS OF CREDIT ON

Union of London & Smiths Bank, Limited, London  
Messrs. Mallet Freres & Cie., Paris  
Banco Nacional de Mexico

AND ITS BRANCHES

Agents for the Bank of Australasia, etc.

## TRAVELERS' LETTERS OF CREDIT

AVAILABLE THROUGHOUT THE UNITED STATES

# BOISSEVAIN & CO.

24 BROAD STREET, NEW YORK

Members of the New York Stock Exchange

## Investment Securities

Commercial Department

Foreign Exchange

Correspondents of

MESSRS. ADOLPH BOISSEVAIN & CO.

AMSTERDAM, HOLLAND

# UNION BANK OF SCOTLAND, Limited

ESTABLISHED 1830.

CAPITAL - - - - £5,000,000

RESERVE FUND - - - £800,000

In 100,000 Shares of £50 each, £10 paid.

CHAIRMAN. THE RIGHT HONOURABLE LORD GLENCONNER of Glen  
DEPUTY CHAIRMAN. JOHN Y. BUCHANAN, Esq., F.R.S.

ORDINARY DIRECTORS.

CHARLES LYALL DALZIEL, Esq., Chartered Ac-  
countant, Edinburgh.

ROBERT ELMSALL FINDLAY, Esq., Merchant,  
Glasgow.

HENRY E. GORDON, Esq., of Aikenhead, Cath-  
cart.

JAMES NOBLE GRAHAM, Esq., Merchant, Glas-  
gow.

Sir LUDOVIC JAMES GRANT, Bart., Edinburgh.

WILLIAM HUTTON, Esq., Actuary, Glasgow.

Every description of General Banking business transacted; purchases and sales effected in all British and Foreign

Stocks. Dividends, Annuities, &c., received for Customers.

Letters of Credit are issued free of charge for the use of travellers, payable in the Principal Towns on the Con-  
tinent of Europe and in all the chief Commercial Cities of the World. They may be obtained at the Head Offices in  
Glasgow and Edinburgh and at the London Office.

At the London Office, Current Accounts are conducted on the usual terms of London Banks: Deposits received  
at Interest.

ARCHIBALD R. C. PITMAN, Esq., Writer to the  
Signet, Edinburgh.

PETER RINTOUL, Esq., Chartered Accountant,  
Glasgow.

The Right Honourable J. PARKER SMITH, of  
Jordanhill.

SETON THOMSON, Esq., Preston House, Linlith-  
gow.

ARTHUR C. D. GAIRDNER, Esq., General Man-  
ager, Glasgow.

ARTHUR C. D. GAIRDNER, General Manager.

Head Offices: GLASGOW—Ingram Street EDINBURGH—George Street  
LONDON OFFICE—62 Cornhill GEORGE J. SCOTT, Mgr.

WITH 160 BRANCHES THROUGHOUT SCOTLAND.

# DEUTSCHE BANK

BERLIN, W.

GENERAL OFFICE: BEHRENSTRASSE 9 TO 13  
DIRECTORS' OFFICE: MAUERSTRASSE 39

CAPITAL and RESERVE, \$102,380,000

(M. 430,000,000)

Dividends paid during last ten years: 12, 12, 12, 12½, 12½, 12½, 12½, 12½, 10, 12½ per cent

## Branches

Aix La Chapelle, Augsburg, Barmen, Berncastel-Cues, Bielefeld, Bocholt, Bonn, Bremen, Brussels, Chemnitz, Coblenz, Cologne, Cologne-Mülheim, Constantinople, Crefeld, Cronenberg, Darmstadt, Dresden, Düsseldorf, Elberfeld, Frankfurt-on-M., M.-Gladbach, Hagen, Hamburg, Hamm, Hanau, Leipzig, London, Meissen, Munich, Neheim, Neuss, Nuremberg, Offenbach, Paderborn, Remscheid, Rheydt, Saarbrücken, Solingen, Treves, Wiesbaden

## Banco Aleman Transatlántico

(Deutsche Ueberseeische Bank)

Capital, \$7,143,000

(M. 30,000,000)

Reserve, \$2,302,800

(M. 9,672,000)

Head Office: BERLIN, Mauerstrasse 37-42

## Branches

ARGENTINA: Bahia-Blanca, Buenos Aires, Córdoba, Mendoza, Rosario de Santa Fé, Tucuman  
BOLIVIA: La Paz, Oruro  
CHILI: Antofagasta, Concepcion, Iquique, Santiago, Temuco, Valdivia, Valparaiso  
PERU: Arequipa, Callao, Lima, Trujillo  
URUGUAY: Montevideo  
SPAIN: Barcelona, Madrid

## BANCO ALLEMÃO TRANSATLANTICO

BRAZIL: Petropolis, Rio de Janeiro, Santos, São Paulo

Bills sent for collection, negotiated or advanced upon. Drafts, cable-transfers and letters of credit issued. Private Codes.

WILLIAM SCHALL, Jr.    CARL MÜLLER    E. PAVENSTEDT    FREDK. MÜLLER SCHALL

## MÜLLER, SCHALL & CO.

45 William Street - - NEW YORK

Foreign Exchange

Commercial Credits

Members  
New York Stock Exchange

## BEYER & SMALL

INVESTMENT BANKERS

SPECIALISTS IN STATE OF MAINE SECURITIES

PORTLAND

-:-

MAINE



LISTED AND UNLISTED  
*Stocks and Bonds for Conservative Investment*

## **FINCH & TARBELL**

Members of the New York Stock Exchange

Equitable Building

120 Broadway, New York

## **Dominick & Dominick**

ESTABLISHED 1870

MEMBERS OF THE NEW YORK STOCK EXCHANGE

### **Dealers in Investment Securities**

115 Broadway  
New York

Wiggins Block  
Cincinnati

## **H. D. WALBRIDGE & CO.**

14 WALL STREET, NEW YORK

Street Railway, Gas and Electric Light Securities

WE PURCHASE AND OPERATE

### **PUBLIC UTILITY PROPERTIES**

AND FINANCE ATTRACTIVE UNDERWRITINGS

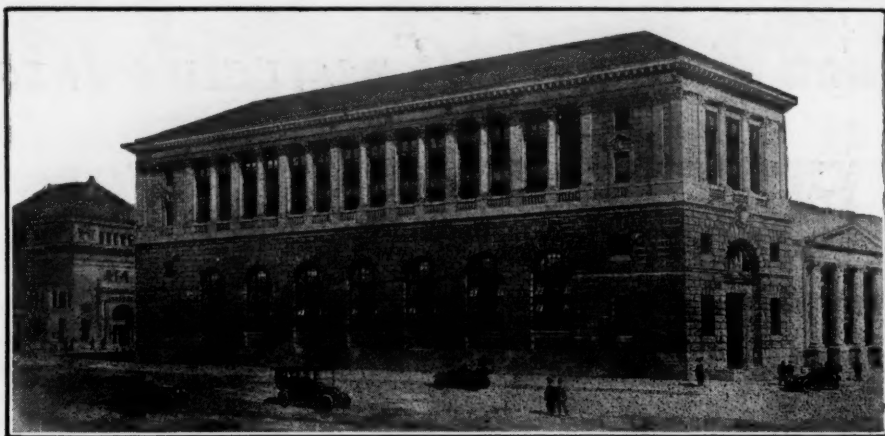
## **CHASE NATIONAL BANK**

*Stock*

**SCHMIDT & GALLATIN**

111 Broadway, New York

'Phone 3260 Rector



New Main Office Building

# Brooklyn Trust Company

Chartered April 14, 1866

Member of the New York Clearing House Association

**177 Montague Street, Brooklyn**

**Bedford Branch**  
Fulton Street and Bedford Avenue

**Manhattan Office**  
Wall Street and Broadway

## TRUSTEES

FRANK L. BABBOTT  
WALTER ST. J. BENEDICT  
GEORGE M. BOARDMAN  
SAMUEL W. BOOCOCK  
EDGAR M. CULLEN  
WILLIAM N. DYKMAN  
JOHN H. EMANUEL, Jr.  
WILLIAM HESTER

FRANCIS L. HINE  
DAVID H. LANMAN  
DAVID G. LEGGET  
FRANK LYMAN  
HOWARD W. MAXWELL  
EDWIN P. MAYNARD  
FRANK C. MUNSON  
HENRY F. NOYES

WILLIS L. OGDEN  
JOSEPH E. OWENS  
ROBERT L. PIERREPONT  
HAROLD I. PRATT  
CLINTON L. ROSSITER  
J. H. WALBRIDGE  
ALEXANDER M. WHITE  
WILLIS D. WOOD

## OFFICERS

EDWIN P. MAYNARD, President  
DAVID H. LANMAN, Vice-President  
FRANK J. W. DILLER, Vice-President  
WILLIS McDONALD, Jr., Vice-President  
FREDERICK T. ALDRIDGE, Vice-President  
WILLARD P. SCHENCK, Secretary

HORACE W. FARRELL, Asst. Secretary  
HERBERT U. SILLECK, Asst. Secretary  
AUSTIN W. PENCHOEN, Asst. Secretary  
GILBERT H. THIRKIELD, Asst. Secretary  
FREDERICK B. LINDSAY, Asst. Secretary  
FREDERIC R. CORTIS, Auditor

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**The Nassau National Bank of Brooklyn**  
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### Comparative Statements of Twenty-three Years' Business:

Year	Capital	Surplus and Profits	Deposits
1893	\$200,000.00	\$ 51,766.00	\$ 382,000.00
1897	200,000.00	87,968.00	1,002,000.00
1901	200,000.00	244,564.00	1,762,000.00
1905	250,000.00	307,125.00	2,196,000.00
1909	500,000.00	581,500.00	3,150,000.00
1913	500,000.00	675,650.00	4,100,000.00
1915	500,000.00	803,060.00	5,130,000.00
1916	500,000.00	850,000.00	6,000,000.00

Attention is called to the steady increase from year to year in all three of these accounts.

The original Capital paid in at the date of the Bank's organization, May 6, 1893, was \$200,000.00.

On May 6, 1904, the Capital was increased \$50,000.00 and on May 6, 1909, was again increased \$250,000.00.

The Capital is now \$500,000.00 Surplus \$500,000.00, and Undivided Profits over \$350,000.00.

Interesting Points for Bankers  
Regarding  
**Cities Service Company**

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**Common and Preferred Stocks**

**There is an international market for both stocks, and the preferred was included in the collateral securing the \$250,000,000 five per cent. Secured Loan of the United Kingdom of Great Britain and Ireland, dated September 1st, 1916.**

**The Company operates Public Utilities serving two hundred communities and its earnings from these sources are about equally divided between Electricity and Gas. The Company also is one of the largest producers of Oil in the United States.**

**The actual property values of the Gas and Electric subsidiaries alone show an equity for the preferred stock of Cities Service Co. more than equivalent to its par value, and the value of all of the Company's holdings is very greatly in excess of its total outstanding stock.**

**The earnings of the Company available for the payment of dividends are nearly three and one-half times the amount required to pay the Six Per Cent. Cumulative dividend on the preferred stock, and the balance remaining, which accrues to the common stock, amounts to over twenty-seven per cent. annually. The earnings, furthermore, are rapidly increasing. The Company issues monthly earnings statements and pays dividends monthly on both classes of stock.**

**The market quotations are published daily in all the New York newspapers and in all important financial journals. Quotations also are available in every market where public utilities are known.**

**The stocks are so widely distributed that all bankers will find it to their advantage to have in their files a copy of the annual report and a recent balance sheet, and to be put on the Mailing List to receive regularly the Company's earnings statements.**

Correspondence invited.

**Henry L. Doherty & Company**  
60 Wall Street, New York  
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**INCORPORATED 1869**

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135 Devonshire Street, Boston, Mass.

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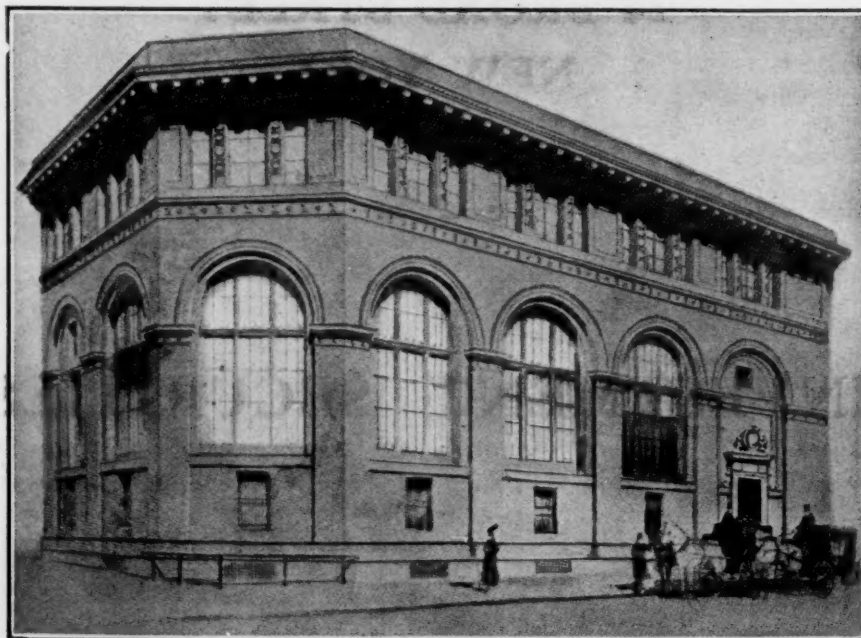
**Surplus and Profits Over \$3,000,000**

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**BLAIR & Co.,**

**24 BROAD STREET  
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**INVESTMENT SECURITIES**

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OF CREDIT**



# BANKERS' CONVENTION SECTION

## OF THE **COMMERCIAL & FINANCIAL CHRONICLE.**

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### THE CHRONICLE.

THE COMMERCIAL AND FINANCIAL CHRONICLE is a weekly newspaper of 96 to 128 pages, published in time for the earliest mail every Saturday morning, with the latest news by telegraph and cable from its own correspondents relating to the various matters within its scope.

THE CHRONICLE comprises a number of added Sections, or Supplements, issued periodically, and which form exceedingly valuable adjuncts of the weekly issues.

THE RAILWAY AND INDUSTRIAL SECTION, issued three times a year, is furnished *without extra charge* to every annual subscriber of the CHRONICLE.

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Besides these Supplements, others are published from time to time, like the present BANKERS' CONVENTION SECTION.

Terms for the CHRONICLE, including all the Supplements, are Ten Dollars within the United States, Thirteen Dollars (which includes postage) in Europe, and Eleven and a Half Dollars in Canada.

WILLIAM B. DANA COMPANY, Publishers  
Front, Pine and Depeyster Streets, New York

### INDEX TO ADVERTISEMENTS

A complete index to the advertisements appearing in the present issue of the Bankers' Convention Section will be found on pages 97 and 98.

### OUR GOLD RESERVE, NOW AND AFTER THE WAR

Probably no question engaged the mind of the National Bankers Convention more strongly than the probable bearing, on conditions after the war, of our huge accumulation of credits through the war-time balance of outward trade and the consequent unprecedented increase in this country's stock of gold. As to the economic position in which these achievements will have placed the United States, there can be no dispute. During the calendar year 1915, this country's merchandise exports were larger by \$1,066,000,000 than in any previous year, and the surplus of our exports over imports greater by \$1,080,000,000 than the previous best record. In the eight months ending with August of this year, exports increased \$1,204,000,000 over the corresponding period even in 1915 and the excess of exports increased \$688,700,000.

Gold imports last year in excess of exports were

\$258,000,000 larger than the similar excess in any previous year, and the net gold imports during the eight first months of 1916 were nearly as great as in the preceding year. On September 1 this year, the Government estimate of the stock of money in the United States showed that money in the form of gold had increased \$632,000,000 since January 1, 1915.

Nor is this all of the great change in our annual international trade balance. The recent estimate by Mr. Loree indicated that the United States had redeemed between January 31, 1915, and July 31, 1916, \$1,288,000,000 of American railway securities previously held abroad. We shall no longer, therefore, have to send abroad each year the substantial amount in interest and dividend remittances due on these redeemed securities. We shall, moreover, at the end of the present year, be receiving from abroad interest on something like \$1,800,000,000 on securities of foreign states and corporations, placed in this country during the war.

Nevertheless, the question of our international trade position after the war—particularly the question of our exchange of gold with Europe at that time—continues to engage attention. It is evident on the face of things that Europe will naturally use every means to reduce the balance against her in her annual trade relations with the United States, and in particular will labor to build up again her own reserves of gold. How will these influences affect our own post bellum situation?

Two speeches before the National Bank Convention directed attention thoughtfully to these important economic problems. President Vanderlip of the National City Bank referred in his speech to "the sensational influx of gold that seems dangerously likely to submerge us in our own prosperity"; adding that "it would be most interesting to attempt an analysis of the ultimate effect on prices, on our national welfare, of this unprecedented accumulation of reserve money. It would be worth while to study what is likely to be the ultimate effect upon our money market of this importation of gold, as well as the potential possibilities for inflation in the Federal Reserve Act itself." As regards our export and import trade and the balance of merchandise exports, after peace, Mr. Vanderlip further suggested that "under the pressure of necessity, the British people have become

enormously more productive. Industry has been lifted out of the ruts of custom and rule, initiative has had free play, machinery has given new powers to the workers and organization has been modernized with results that have been a revelation." He asked the question, "Will industry in the United States make the same progress?" This was his somewhat tentative answer:

"There is warning in the fact that adversity is usually a better teacher than prosperity. The latter comes by fortuitous circumstances and we enjoy it, relax, and take our ease, while adversity puts men upon their mettle and calls up all their resources. In some respects we shall be stronger after the war. We shall be richer, our productive equipment will be better than ever before; but these will not avail without a spirit of unity and good understanding in our industrial organization. The account we give of ourselves will depend at last upon the men behind the machines."

Mr. Paul Warburg, of the Federal Reserve Board, touched on the same question in his address to the Convention. Recognizing the abnormal character of our recent import of gold, he expressed the opinion that "the national bank currency ought to be systematically withdrawn and the greenbacks ought to be gradually turned into gold certificates." But this was for the period of war itself. Having noted that "there never was before in the world a period of inflation such as is now in process in Europe," and that "the adjustment after the war will create the keenest competition for the yellow metal," he gave the positive judgment that the very fact of the great surplus stock of gold accumulated in our Federal Reserve Banks, our private banks, or in our general circulation, would in any case make us "the target for gold withdrawals" after the war.

With what result? Mr. Warburg thus outlines the possibilities:

"Let us suppose that our member banks' excess cash reserves have been wiped out, either by gold export or by expansion of the loan and deposit structure; let us suppose that our discount investment rates are fairly low as compared with those prevailing in Europe; let us suppose that our shipments to foreign countries will no longer exceed our imports. Then, as money flows where it can safely earn the highest returns, our bankers will probably have to finance foreign countries in government loans and individual transactions.

"We are faced with the simple question, Will we be strong enough to share our plenty, during the coming period of stress, with other nations and be the world's banker, or will we be so weak that, when these demands come, we must stop them at once by raising our discount rates high enough to retain our gold at home? . . . Our foreign competitors will proclaim that only a country willing to part freely with its gold may safely be accepted as the world's banker."

These are highly interesting considerations. The answer of most business men to the questions raised by them would probably be that Europe will not find it altogether easy to establish a credit balance, in its annual exchange of goods and credits with the United States, large enough to

affect such immediate results. Theoretically, it might be done in one or all of three ways—through an abnormally great excess of merchandise exports to the United States over imports from the United States; through continuance of the sale of new European securities in American markets on a very large scale; or through money rates on the open markets of Europe, so continuously high as to attract great sums of capital from the United States, with a resultant sharp turn of the foreign exchanges in favor of Europe and a large export of gold from this country.

There is something to say both for and against these probabilities. Europe will undoubtedly endeavor to export merchandise after the war, as largely as its own conditions admit. But the question is, whether that can be done, at any early date, on such a scale as to reverse the balance with the United States. Opinion on this point is highly conflicting; one side basing its conclusions on the urgent necessities of Europe and the consequent probable forcing of cheap merchandise on the markets, the other side arguing from the coming demands for physical reconstruction of belligerent Europe itself, the exhaustion of raw materials on Europe's markets, the depletion of European labor supply through the war and the consequent higher European wages. We have already quoted Mr. Vanderlip's suggestions regarding the important consideration as to efficiency of European production.

Sale of new securities to us by Europe after the war, and on a very substantial scale, would be a wholly logical outcome of our accumulated wealth and prosperity. It is also true that, after the war, proceeds of such new loans would mostly be sent to Europe through the exchange market, instead of being spent in the United States, as has been the case with the great English and French loans of the past twelve months. Yet it is not to be forgotten that Europe must also provide, in the period immediately following peace, for redemption of such obligations to this country as the \$500,000,000 new French loan, the \$250,000,000 collateral loan of the British Government and the \$100,000,000 collateral French loan—all of which mature two to four years from the present time.

The question of money rates in Europe after the war is greatly disputed. Many good judges anticipate a period of very high money markets in England and on the Continent. Yet, on the other hand, high money ordinarily accompanies active trade, and the theory is widely entertained that a period of severe financial prostration and trade reaction is in store for Europe after the war. Such conditions do not ordinarily cause high money. It is also possible that rates in this country may be advanced through the auspices of the Federal Reserve Banks, if the influence of European money markets on our gold holdings were to be too great. Mr. Warburg's opinion on this point, already cited, gives the other side of that argument.



On the whole, the conclusion of most observant financiers will probably be that natural economic processes will lead to partial and perhaps very extensive redistribution of our abnormally large stock of gold after war is over, but that the movement would not be likely to proceed on a sensational scale, at any rate until normal conditions of peace had been restored, years afterward. Nevertheless, the facts and arguments set forth in the two Kansas City speeches leave the implication plain, that it is possible to place too much reliance on the permanent influence of the present huge gold supply upon the American financial situation.

#### THE CONVENTION CITY

Kansas City, the meeting place of this year's annual convention, is one of the thriving commercial centers of the country, and destined, by reason of geographical location and exceptionally favorable surroundings, to a steady growth and progress. Situated at the uncton of the Kansas (or Kaw) and Missouri rivers, 275 miles west of St. Louis, it is encircled by a rich agricultural territory, sometimes called the "bread basket of the world." The wheat fields of the Dakotas, the cornbelt of the Missouri river, the oil fields of Kansas, and the zinc and lead mines of southwest Missouri are, naturally, tributary to it and a part of its increasing power; while, as a trading center, it is now the chief city after leaving the Mississippi river, and confronts that vast region commonly denominated the Great West. To south, west, and north stretch rolling prairies, where soils are adapted to diversified farming, where winds are variable, rainfall abundant, and seasons propitious, insuring a continuous production of the necessities of life and a constant increase in population, wealth, and commerce, to this favored city.

From its history we learn that as early as 1821 French fur traders, operating along the Missouri river in the northwest, established a station upon its present site. Known as Westport Landing in 1838, it marked the point where caravans upon the famous Santa Fé trail left this water route and plunged boldly into the pathless west. The adventurous spirits who "crossed the plains" in '49, to reach the fabled gold fields of California, outfitted from its stores. As the town of Kansas it was first incorporated in 1850 and for the first time named Kansas City in the subsequent incorporation of 1853. The present city really dates from the coming of the first westbound railroad in 1866. And no more potent illustration of the transformation of a continent in the space of half a century can be found than this prosperous city set in the midst of wide reaches of prolific farm lands once known as the Great American Desert!

As an index to the fertility and commercial importance of the region around Kansas City, the last available government statistics of farm values for the geographical division known as West North Central States show that this area contains con-

siderably more than one-fourth of the total farm values for the United States (\$40,991,449,090) and that its increase for the ten year period was 132.5 per cent.

#### WEST NORTH CENTRAL STATES

State.	1910. All Farm Property.	1910. Land.	1910. Live Stock.
Minnesota.....	\$1,476,411,737	\$1,019,102,027	161,641,146
Iowa.....	3,745,860,544	2,801,973,729	393,003,196
Missouri.....	2,052,917,488	1,445,982,389	285,839,108
North Dakota....	974,814,205	730,380,131	108,249,866
South Dakota....	1,166,096,980	902,606,751	127,229,200
Nebraska.....	2,079,818,647	1,614,539,313	222,222,004
Kansas.....	2,039,389,910	1,537,976,573	253,523,577
Totals.....	\$13,535,309,511	\$10,052,560,913	\$1,551,708,097

Kansas City is the home of the Federal Reserve Bank for District Number Ten, which comprises the States of Nebraska, Kansas, Colorado, Wyoming, about half of Oklahoma and New Mexico, and one fourth or fifth of Missouri. It is an interesting fact that this tributary territory by the same statistics contains nearly one-seventh the total farm values of the United States as shown by the following table. And if to this showing be added the farm property values of the division East North Central, namely, \$10,119,128,066 (1910) covering the States of Ohio, Indiana, Illinois, Michigan, and Wisconsin, as indicative of the axis of trade westward from the Ohio Valley region, which connects by lakes and canal as well as great railroad systems with the Seaboard through New York City, we shall discover not only the inexhaustible agricultural richness of Federal Reserve Districts 7, 8, 9 and 10 (the two geographical divisions containing more than half the entire farm values of the United States), an indubitable basis of banking growth, but the intimate relation between the jobbing trade of Kansas City, St. Louis and Chicago, as distributing centers, and the wholesale and importing trade of New York City as the leading seaport of the world.

#### FARM PROPERTY VALUES OF FEDERAL RESERVE DISTRICT NO. TEN.

State.	1910. All Farm Prop.	1910. Land.	1910. Live Stock.
Nebraska.....	\$2,079,818,647	\$1,614,539,313	\$222,222,004
Kansas.....	2,039,389,910	1,537,976,573	253,523,577
Wyoming.....	167,189,081	88,908,276	65,605,510
Colorado.....	491,471,806	362,822,205	70,161,344
1-2 Oklahoma....	459,099,441	324,533,334	76,216,396
1-2 New Mexico..	79,723,995	49,403,248	21,747,339
1-5 Missouri.....	410,583,497	289,196,477	57,167,821
Totals.....	\$5,727,276,377	\$4,267,379,426	\$766,643,991

The Annual Statistical Report of the Kansas City Board of Trade, for 1915, shows that there were received by the railroads during the year 58,693,950 bushels of wheat; 20,803,750 of corn; 4,527,600 of Kafir Corn, Milo Maize, Feterita; 6,247,500 of Oats; 361,900 of rye; 1,817,200 of Barley, making a total of grain received of 92,451,900 bushels. By the same report there were manufactured 2,865,460 barrels of flour; 91,800 of Corn Meal; 22,900 of Oat Meal; making a total mill product of 2,980,160 barrels, the daily flour milling capacity being 14,250 bbls. The total receipts of Grain, Flax, Bran, Hay and Flour in car loads for 1915 was 106,909. The total storage capacity of elevators is placed for the year at 21,415,000 bu. The grain handled went from 69,599,500 bu. in 1905 to above total of 92,451,900 in 1915.

Considering bank clearings, capital, and deposits, as sure indices of commercial prosperity, we find

by the same authority, that banking capital, including surplus and profits, (for Greater Kansas City) advanced from \$10,901,610 in 1905 to \$23,599,236 in 1915; that bank clearings in Kansas City, Mo. advanced in the same period from \$1,197,905,556 to \$3,835,061,547; deposits being computed, at close of 1915, at \$168,705,036. Further, while the aggregate clearings (Government statistics) of 163 Clearing Houses for the year ending Sept. 30, 1915, amounting to \$162,777,508,000 show a net decrease over 1914 of \$1,072,303,000, four of the principal 14 cities in the list show an increase as follows: New York, \$1,082,363,000; Kansas City, \$783,721,000; San Francisco, \$39,051,000; and Cleveland, \$97,362,000.

As of dates Sept. 12, 1916, under call of Comptroller, the relative standing and business of the national banks of Kansas City are shown by the following condensed table:

RESOURCES				
	Loans & Discounts.	Cash & Sight Exchange.	All Other.	Total.
Park.....	\$188,002	\$63,236	\$8,269	\$259,507
First.....	18,469,964	24,214,725	2,441,395	45,126,084
Commonwealth...	4,355,929	2,707,395	152,500	7,215,824
Drovers.....	7,218,603	6,604,195	233,225	14,056,023
Gate City.....	1,821,493	917,569	241,803	2,980,865
Interstate.....	7,766,434	9,791,022	224,225	17,781,681
Nat'l Reserve.....	6,435,314	5,645,474	1,220,384	13,301,172
New England.....	10,879,406	8,762,073	1,103,943	20,745,422
Security.....	781,344	578,259	251,917	1,611,520
Southwest N. B. of Com.....	26,735,131	17,789,071	4,803,921	49,328,123
Stockyards.....	1,354,936	931,886	74,800	2,361,622
Traders.....	2,127,117	1,763,144	342,000	4,232,261
Midwest.....	547,154	1,887,580	75,847	2,510,581
Total.....	\$88,680,827	\$81,655,629	\$11,174,229	\$181,510,685
LIABILITIES				
	Capital Stock	Surplus and Und. Profits	Deposits	All other
Park.....	25,000	13,868	213,640	7,000
First.....	1,000,000	2,388,242	41,137,841	600,000
†200,000.00				
Commonwealth.....	250,000	545,078	6,370,746	250,000
Drovers.....	500,000	249,047	13,093,608	213,368
Gate City.....	200,000	63,991	2,560,670	156,205
Interstate.....	500,000	1,203,200	16,028,165	50,316
National Reserve.....	1,000,000	124,727	11,546,445	630,000
New England.....	1,000,000	664,361	18,902,061	179,000
Security.....	200,000	101,670	1,134,850	175,000
Southwest N.B. of Com	3,000,000	1,377,966	42,503,657	2,446,500
Stockyards.....	200,000	85,333	2,015,948	60,341
Traders.....	200,000	54,165	3,778,096	200,000
Midwest.....	500,000	52,614	1,857,966	100,000
†200,000				
Error in Commonw'th	8,575,000	6,924,262	161,143,693	5,067,730
Tabular Statements, as of following dates, show:				
	May 1, 1916	Mar. 7, 1916	May 5, 1915	
Deposits.....	143,732,580	146,176,472	116,318,632	
Cash & Sight Ex....	64,882,085	74,459,784	50,515,679	
Loans and Dis.....	88,402,247	80,965,973	75,091,405	
Total Resources....	164,859,771	167,184,057	137,306,761	

Estimates made by the Kansas City Star based on the September call of 1916 place the total deposits of all banks and trust companies for Greater Kansas City at \$223,078,000. (This includes Kansas City, Kansas, and other adjacents.)

Somewhat earlier comparative estimates by the same paper based on Sept. 1916 call, say: "Deposits in Kansas City national banks have increased about 30 million dollars since June 30, the largest gain ever made in that period. The total now is about 167 million dollars, 53 million more than on Sept. 1, 1915. \* \* \* \* "The state banks and trust companies also show big gains, and the total deposits in all the banks of Greater Kansas City probably will be 230 million dollars, when all figures are compiled. This is 75 million more than a year ago." (See foregoing tables for Nat'l Banks.)

The Live Stock interests of Kansas City are important and extensive. Although many of the former wide ranges have been cut up into productive farms, the grazing lands of the western plateaus continue to pour their tribute into this mart.

At the stock yards there were received, Board of Trade report, in 1915, 1,860,235 Cattle; 103,263 Calves, 2,530,730 Hogs, 1,814,683 Sheep, 102,153 Horses and Mules, totaling 114,617 cars. The packing animals slaughtered in 1905 numbered 4,812,422; in 1915, 4,785,827. From these and comparative statistics, it is claimed that: "the city is the largest winter wheat market, the second largest livestock market, and the third flour-milling centre in the United States." It is estimated that the total value of livestock marketed ranges above \$200,000,000 annually; that the sale of packing house products exceeds \$175,000,000; and shipments of stocker and feeder cattle will amount to \$50,000,000. Naturally its jobbing trade in agricultural machinery will be notable. It is an extensive hay and mule market, perhaps in these products unsurpassed in the United States as a center of distribution. It is said to "rank first in the sale of yellow pine lumber and third as a general lumber market."

The city is one of the greatest railroad centers in the country. The great systems that gridiron the country west of the Mississippi river practically all pass through or reach it by terminus.

The Mid-Census returns, but recently available, give Kansas City a population of 281,900. To gauge properly its commercial importance, however, the population of Kansas City, Kansas, 93,445, must be added, as the two cities in all essentials form one business community using in common street car systems and telephone service, with ample bridge connections. The population of Kansas City proper judged by 1916 City Directory is estimated to be 314,600. The Assessed Valuation of Kansas City, for 1915, Board of Trade figures, was \$206,753,700. As evidence of of ten years' growth it may be noted that the above Assessed Valuation is an increase from \$97,128,370 in 1905.

Statistics such as we have enumerated indicate a constant increase in manufactures for this growing city. Elements of production and distribution command it. Geological surveys disclose vast bodies of adjacent territory underlaid with bituminous coal. The raw materials for foodstuffs and clothing are abundant. Around St. Louis and Kansas City closer congest the consumers of an interior empire. Facilities of distribution, already widespread, under hoped-for favorable conditions, will grow, according to needs. A trend of trade exists from maker direct to user. Other things being equal, manufacture tends to equalize itself among the people. All these influences make for the city's continuous advancement in this division of human industry.

Kansas City is built upon terraced hills—the lowest level, or river bottom, holding most of the manufactories, the second level its retail business, the third comprising its residential district. From its heights magnificent views of wooded streams and verdant slopes obtain. For hundreds of miles around it the level landscapes invite to peace and plenty, dedicating it to leisure, opulence, culture. Having outlived its boom days, the speculative excitements of its youthful energy, it now moves forward, with assured step, to business achievements of high purpose, helpful service, and increasing magnitude. Its citizens are liberal-minded, open-hearted, devoted to the practical, yet cherishing the modern ideals of social endeavor and patriotic unity. Set in the midst of the moving millions who constitute the American Commonwealth, it is a brilliant gem in the coronet of shining cities that crowns a country of unsurpassed promise.



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# BANKING SECTION

## AMERICAN BANKERS' ASSOCIATION

42nd Annual Convention, Held at Kansas City, Mo., Sept., 28 and 29, 1916

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### *The Need for a United Nation*

By F. A. VANDERLIP, President, The National City Bank, of New York

There has rarely been a time when there were more subjects of interest which might be chosen for discussion before a convention of bankers. We have had two years' experience with the Federal Reserve Act, a law which introduced factors fundamentally novel to our banking system. One might well stop at this time and make some attempt to appraise this law in the light of the experience which we have had with it. It would be interesting to inquire just what its operations have demonstrated, just how it has commended itself to the experienced banking judgment. One might well inquire whether a banking system where the membership is almost wholly compulsory, where scarcely a bank which has been permitted voluntary choice has chosen to enter it, has been established in its permanent form; and it would be pertinent to inquire in particular whether a banking system half Federal and half State, half held together by compelled membership and half free from the authority of the Federal governing power is permanent.

You are familiar with one of the great utterances of Lincoln, when he said:

"I believe this government cannot endure permanently, half slave and half free. I do not expect the Union to be dissolved. I do not expect the house to fall; but I do expect it to cease to be divided. It will become all one or all the other."

Would it be improper to paraphrase that great utterance in discussing the present position of our banking system? Can a banking system endure, half compulsory and half free? Will it not become all one thing or all the other?

We all quite frankly understand of course, why practically no bank has voluntarily subjected itself to the action of the Federal Reserve Law. It is no secret why State banks decline to become members of the Federal Reserve system. They are apprehensive of the sort of regulation which has recently been imposed upon national

banks. They are not desirous of subjecting themselves to the sort of autocratic supervision under which the whole National banking system has grown restive.

I am not, however, going to discuss the Federal Reserve Act nor Federal supervision of banking. I am not going to discuss the fallacy of decentralization which has been a controlling motive in much recent legislation and regulation. Had I chosen to discuss the Federal Reserve Act, I would have reached a conclusion that it embodies sound fundamental principles too valuable, indeed, too essential, to our financial life to be abandoned, the free working of which, however, has been entangled and hampered in its inception by political considerations and administrative attitude to such an extent as to endanger the success of what should rightly be the most important step ever taken in American banking.

I might have chosen for a subject the sensational influx of gold that seems dangerously likely to submerge us in our own prosperity. It would be most interesting to attempt an analysis of the ultimate effect on prices, on our national welfare, of this unprecedented accumulation of reserve money. It would be worth while to study what is likely to be the ultimate effect upon our money market of this importation of gold, as well as the potential possibilities for inflation in the Federal Reserve Act itself. It would be interesting, too, to speculate on the effect likely to be manifested in money rates and in the distribution of business following the creation of the new types of credit provided by the recent laws authorizing domestic acceptances and the mobilization of farm loans.

I should be glad to speak about international trade and banking, subjects full of vital and pressing interest, presenting an insistent demand that our bankers begin to think internationally and that we all better understand the principles of the science of banking. The subject of the better training of men for the wider field that American banking is to occupy, is, in itself, of great importance. It would be well worth while to give consideration to the

matter of the relation of bankers to the present opportunity and demand for the foreign investment of American capital, to the inclination of capital in this country to seek employment to a reasonable degree in foreign fields not subject to the tendency toward unwise regulation that is encountered in some of our political tendencies. Or one might go further afield and attempt some analysis of what the vast expenditure of wealth, the creation of incomprehensible totals of national indebtedness, the gigantic issues of paper currency and the depreciation of national monetary standards which we are witnessing in Europe, are likely to mean to the world at large and to us in particular.

These are a few of the fruitful subjects that might well engage our attention as bankers, but there are times in the world which call men away from their personal and immediate interests. There are periods that compel them to think together of fundamental things. Surely the present is such a time. It seems almost idle to discuss the working of banking statutes when we can discern, even though dimly, the working of great laws in the statute book of human nature and society, whose action is so fundamental and important as to make our men-made laws and their workings seem inconsequential in comparison. We are in a time when it is of the utmost importance that we think socially and fundamentally. These are not days when we can give our thoughts exclusively to our business, to our immediate affairs. They are days that demand that we think nationally and internationally rather than individually or as a business class. We are confronted by an insistent need for comprehending fundamentals.

Society in its international organization and relations seems to have broken down. The most highly civilized nations of the world, those most advanced in learning, most enlightened in culture, most efficient and practical in affairs, are turned aside from all the achievements which signify progress and are grappling with each other in a veritable death struggle. Primitive impulses seem as strong as they ever were at any time in the world's history. Without any discussion of the relative responsibility for this outbreak, the fundamental fact appears to be that the world is yet deplorably deficient in social capacity. Nations cannot live beside each other without fighting out questions of supremacy, without raising issues that lead men gallantly to make every sacrifice of effort, of wealth, of life, at the dictation of government. Then there is the further result of national hatreds engendered which will last generations beyond any pact of peace that can be drawn. The world has proven itself to be deplorably deficient in what Emerson called "facility of association"; in other words, in that degree of comprehension which enables men to understand each other and work for the common good. Unquestionably, that ability is the best fruit of civilization. It is that ability that is the chief distinction between the civilized man and the barbarian. Civilization, we have supposed, endowed men with the capacity for organization, with the vision which would lead to a willingness to subordinate the individual to the good of society and thus to the greater good of the individual.

This revelation of incapacity, or undevelopment, which Europe has given, comes as a startling surprise to most of us. It has long been a common warning of the pessimist that human nature is just the same as it always has been—but we have not believed that. To believe it would be to lose faith in the best impulses and visions of life. We had come to feel almost certain that the general European war, long talked of, had been postponed until it would never occur, that human nature had changed sufficiently so that a better social understanding would prevent it; that the commonsense of mankind would make it impossible. In that we have been disappointed. Public opinion in every belligerent country regards the war as a defensive necessity, although the com-

mon judgment within each country condemns war. So the war goes on because of the sheer inability of the peoples to come to a state of mutual understanding and confidence, and there is to be seen little ground for hope that the end is near. Fearful as the cost has been in effort, in treasure and in life, there seems ahead the inevitable tragedy of greater cost, of heavier blows to the fabric of civilization, before anything like common viewpoints can be reached.

The countries engaged in this bewildering contest are not inhabited by some strange, faraway peoples, whose habits of thought and whose social ideas are alien to us, whose mental processes are inexplicable. They are of our blood, the sort of men and women of whom this nation is made up. There are no fundamental differences between us and the peoples of the belligerent countries of Europe. Nothing is happening there that might not as well be happening within our own borders to our own people. It is true that we are more happily situated geographically, that we have a natural defence of broad oceans, but it is true, too, that we must be awake to the fact that we are of the same blood and sinew, with the same incapacities, the same social misunderstandings, the same lack of insight, of patience, of vision, and the same immaturity of judgment that has made it impossible for the people of these European nations to deal with a great crisis except through force.

If ever a people should pause, therefore, and take stock; if ever they should look abroad and profit by the experience of others, should comprehend their national dangers in the light of the terrible realities that are being enacted before their eyes in other nations, it is now and we are that people.

We must first recognize some of the practical facts of civilization which the last two years have brought into terrible emphasis. War is a fearful reality. It is a disaster that can come upon any people, no matter how peaceful their intentions, how high their civilization, how great their culture. It is a reality for us to reckon with. The modern human mind has not before comprehended what a horrible disaster war may be, but there is no reason for not now opening our eyes to it, because its realities are plainly before us. That is why I think there are to-day matters of such fundamental importance for us to consider that I have chosen to pass over the engrossing subjects directly related to our business life that might have been discussed.

Underneath any question relating merely to business, or even to social welfare, or the relative claims of different classes of society, is the question of our national integrity and the means that it is necessary to employ to insure the continuance of that integrity. In a word, I believe the greatest need of the day—and a need so fundamental as to make other matters inconsequential in comparison—is the need of universal military, industrial and economic preparedness. That does not mean ships and armament alone. We have taken a tardy but substantial step toward remedying the neglect of recent years. That neglect might prove the foundation of a terrible national catastrophe, but at least we have now awakened to action so far as Congressional appropriations go.

Modern warfare is largely a matter of machinery, but more than ever before in history it is also a matter of human organization. A modern soldier must be a more highly trained man than a soldier ever needed to be before. I believe that the surest insurance of peace this country can have is the universal training in military service of its men. I admit that perhaps there is no other subject regarding which I have so diametrically changed my opinions. I once thought you could count universal military service as an economic waste. I feel confident, in the light of the events of the last two years, that it is not only a military necessity of superlative importance, but that our national life would draw a unity, our democracy would receive a reinvigoration, and our



youth would obtain a physical training and comprehension of the value of obedience and a patriotic devotion to the welfare of the nation, which could be obtained in no other way.

Here in the heart of the middle west I can well see how there has been but partial awakening to the significance of the portentous events of the last two years. I have heard a governor of an adjoining state boast that as his state had no seacoast, his people had little interest in the military madness with which the world is afflicted. Let a man-of-war, with guns that outrage our coast defences, stand off from New York or San Francisco, and levy a tribute as the price of saving these cities from destruction, and the disaster would be as quickly communicated to this great middle west as would the crushed hand or foot to the heart of a man!

I have a vivid memory of our unpreparedness in 1898. The confusion, the inefficiency, the wasted effort, were all humiliating. We have made no advance in trained organization since those days, but the rest of the world has. The scale of military operations to which the belligerent nations have become accustomed sinks into insignificance anything we have known before. In the recent drive on the Somme, the British troops alone lost on each of ten successive days more men than the entire losses of those who fought Napoleon at the Battle of Waterloo. The prodigious size of the military machines of the belligerent nations is almost beyond our comprehension. It would be so completely beyond our present combative effort that we might better be forehanded in providing a sufficient number of white flags, if we are not adequately prepared otherwise. To-day we are a nation grown unprecedentedly rich, lying almost unprotected against the invasion of whoever wills to come. It no longer suffices to say that it is unthinkable that, with our peaceful intentions, we could be seriously attacked. The man to whom such a disaster is unthinkable has a defective imagination. He has failed to interpret the great events of our day and is, I believe, dangerous to the welfare of our country.

If we are to have anything like true preparedness, however, it must embrace much beside physical training. Back of physical training there must be moral training. There must be the creation of a public opinion that will think deeply and clearly regarding the great international questions that we are facing. We have need for developing a clear-cut, clear-sighted public opinion that will see things as they are and that will have courage without audacity, firmness without impetuosity. We need to have what we have not now—a public opinion that would not permit a shuffling attitude in regard to international issues, an opinion that would make temporizing in the handling of our foreign relations impossible where fundamental principles are involved. The greatest preparedness that we can possibly have is the awakening of this country to a clear-sighted comprehension of what our relations to the rest of the world to-day involve. We must have a nation that cannot be lulled to drowsiness by words, but will decisively demand consistent, clear-sighted leadership, will demand a government policy so sincere, so logical, so obviously the expression of a firm and united nation, that there can be won back the respect for the United States, and even the friendship of the other nations of the earth.

This means not only clear seeing and right thinking, but it means a moral awakening which will lead men to make decisions that entail sacrifice when such decisions are required. It means that we must recognize that questions of money-making, of prosperity, of the division of profits, are superficial and trivial compared with the deeper and encompassing problems of our national relationships.

Misunderstandings between nations are not the only misunderstandings that threaten society and impede progress. There may be within a nation such misunderstandings. I believe that one of the most portentous signs of

the times is the evidence of such misunderstandings within our own nation. The very foundation of the social structure may be shaken by class antagonism and those antagonisms may be inspired by mistaken views of class interests. I believe that such antagonisms could be largely dissipated by a clearer understanding of the economic and social factors involved, and that the highest duty rests upon us, first, to understand those factors ourselves, and then, with all the influence that we have, to spread that understanding through a wider field.

The fallacious idea that there is an inevitable conflict of class interests is urged by thousands of persons. They may be in earnest in their belief that there is such an inevitable conflict of class interests. Most of them, however, are uninformed, prejudiced, fanatical, but dangerously effective in their agitation. The propaganda goes on around us with tremendous force and it is not receiving from men like us the attention which its mischievous influences demand that we give it. It is the same sort of fallacy, the same type of narrow and misguided spirit, the same want of insight, sympathy and understanding, which, working in one nation as against another, brings on war. It is my belief that war itself is scarcely more dangerous to a nation or more deadly to industrial progress than are some of the influences that are at work within our own boundaries.

If there is loss to the community in having men withdrawn from industry to take part in the activities or the deadly conflict of war, then there is loss in having the efficiency of men curtailed or diminished in any manner. The moment that proposition is stated we are face to face with the fact that a large proportion of our people do not understand that the community, as a whole, is interested in the increase of production. There is, on the contrary, a prevailing idea that the wage earning class is interested in restricting production. They hold to that view because they believe that the employer is a natural enemy, or more often, that there is not enough work to go around to all laboring men, and therefore, that it should be made to go as far and last as long as possible. It is easy enough to see how such a fallacy has been bred by the alternating periods of activity and depression in the past. It is, of course, one of the greatest of all economic fallacies. There could scarcely be a greater drag upon industry or a greater impediment to general progress than to have such an idea fixed generally in the minds of men. Such a fallacy generally held is actually worse than war, for when war runs its course recuperation can follow, but when the idea of restriction of production as a means to secure individual prosperity becomes fixed in men's minds, it has the same effect upon production that a perpetual drought would have upon grain fields.

However natural it may be to feel impatient with a man who honestly holds such views, impatience is useless. As long as he holds these views, he will act upon them as you or I act upon our views. His opinion is a fact to be dealt with. It is as real as a mountain where you want to build a roadway. In the case of the mountain, we do not get impatient, but we endeavor to survey it and find a way over or through it. Fortunately, erroneous opinions, however stubbornly held, are more like an ice-bank than a mountain. They will eventually melt away and disappear before the truth—if not in one generation, in another. Understanding of economic laws seems to me almost the greatest need of our day. No body of men will act contrary to their own interests when they know what their interests are. The spread of a sound comprehension of economic laws seems to me, therefore, one of the greatest duties that go with the responsibilities of bankers.

Organized industry is necessary to our present standard of living. We cannot live apart or provide wholly for ourselves; we must work with others; we are obliged to be partners, and in a partnership each is bound to do his level best. Whatever controversies there may be

about wages or other divisions of the product, there ought to be agreement upon honest, sincere effort to increase all production for the common good. Not to co-operate to this end is to be disloyal to the community. It weakens the system by which progress must be achieved, and upon which the welfare of all who come after us depends. There is an obligation and responsibility here of the most binding character, and the people who best understand this principle will surely lead in world affairs.

It is the duty of every one of us to do what we can to induce wage-earners to examine their relations to the industrial system as a whole and to be loyal to the industrial system as a whole, rather than to any narrow and mistaken opinion of class interest. The whole idea of separate class interests is an illusion, and if cherished, fatal to the welfare of all classes. You cannot make food, coal, clothing, housing, transportation, or even automobiles, dear, with benefit to any class, and least of all to the wage-earning class. I would appeal, however, with equal energy to the sense of loyalty and responsibility of the employer. By virtue of his position he has a larger outlook than the wage-earner at the bench, a more intimate contact with affairs, and his responsibility is correspondingly greater. He ought to be so consistently loyal to that responsibility that his example will spread the doctrine. I would urge nothing impracticable or revolutionary, but simply that policy of fair play which, when established in all relations, will rid business life of suspicion and reproach. There can be no radical or sweeping change in industry, but changes beneficial to all can be hastened if there is the vision to prompt it. The entire community is interested in safe-guarding the health and promoting the vigor, skill and efficiency of all our people. Wherever we are related to that problem as employers we have a duty to perform, and wherever we can deal with it as citizens we have another. We have to see to it that the new generation of industrial recruits come to their work with a better preparation, physical and mental, than did their predecessors. This is for the common interest.

Nobody can make as much money in a poverty-stricken community as in a rich community. If everybody in the United States could be kept in health and completely employed all the year round, and made skillful in some occupation, the volume of business and the rise of wages and profits would outstrip the records of this war boom, and it would be permanent business.

We hope that in this organization of industry which is progressing, means may be found to maintain a better state of balance in the industries so that the extremes of activity and of depression, and the distressing periods of unemployment, may be mitigated. One of the great economic losses that falls upon a community follows from this lack of balance. The waste to the community that comes from having able-bodied men in idleness is perhaps even a more serious waste than results from having able-bodied men under the discipline of army life. No problem is more worthy of investigation by associations of business men than this one of reducing by more even production the amount of idleness, voluntary and involuntary. The most practical effort toward solving this problem of unemployment has followed the organization of industry into stronger units. Industry so organized is equipped with greater reserve resources. Large industrial units tend to steady both prices and production and to give greater regularity to employment. If this were more clearly understood, it would offer a potent argument against government interference with economical large-scale production.

The most important economic factor in industrial organization to-day is the equipment with which men work, the machinery, the material industrial plant. The mechanical plant multiplies the workman's capacity over and over. It not only multiplies his capacity, but as a rule enables him to do the work more easily. Compare

the manual labor, the toil necessary to produce a bushel of wheat or a ton of steel with the effort necessary fifty years ago. Everywhere in industry we see this process of increasing the productiveness and easing the toil of labor by providing better tools. This improvement of industrial plants is clearly in the common interest. Every man works for the common fund. If a community were hiring a man to cut its wood, it would not deliberately send him out with a dull axe. Just as truly is it of importance to the national community to be equipped with industrial plants of the highest efficiency. No man should work without a tool if a tool can be devised to increase his capacity or reduce the expenditure of effort to attain a result.

But tools cost money. Before they can be had, there must be a command of capital. They represent savings. It is the new savings, the new capital, which pays for the experiments, develops the new machinery, builds the new industrial plants, and thereby creates the additional demand for labor and increases production.

Now in this connection, I should like to make a point that I believe would be of great national significance if it were generally understood. Every time a workman puts a dollar in a savings bank he has contributed to increasing the wage fund. With the new capital thus created there will inevitably be additional money to pay out in wages. If we will but trace the process, we will see that its action is automatic, certain, inevitable. If the fund of capital seeking investment increases, and every dollar put in a savings bank does increase the fund of capital seeking investment, the result of that increase in capital must necessarily be further industrial development. It is true that the savings bank may, in the first instance, invest these dollars, let us say, in an old railroad bond, issued many years ago, the original proceeds of which long since went into construction, but somebody sold that bond and, in turn, had the new capital fund for reinvestment, and somewhere along the line inevitably this new capital must go into productive activity, and in so doing must make a larger wage fund upon which labor can draw and a new demand for labor. Now we are in a period when the destruction of the world's capital is going on at an appalling rate. Is it not, then, of the greatest importance that every effort should be made to replace this destroyed capital? There will be great need for capital in the years to come when reconstruction is going on. Our command over capital is of vast importance to the comfort and welfare of our people. If we could impress upon every workman that he will contribute directly and inevitably toward an increased demand for labor and that he will add to the wage fund and tend to increase the rate of wages by every dollar of savings, I believe it would have a profound effect upon our national welfare.

But the argument in regard to fresh capital may well go further than that. While a dollar saved by a workman helps to give to some workman a job, so does every other dollar of savings, whether it comes from wages, or interest, or profits. The economic effect of a dollar saved and invested is just the same, whether the owner is a wage-earner, an employer or an heir of inherited wealth. Income, however it originates, that is saved and put to reproductive uses, performs an inevitable service for society. Every form of savings finally seeks investment, and if you will follow the investment through to its ultimate reaction, you will see it putting men to work, you will see it enlarging the agricultural, the industrial, or the transportation equipment of the community, you will see it creating new demands for labor, raising the rate of wages and increasing the production of things which men desire. If the savings are devoted to reproductive purposes, it makes no difference whether they are the savings of the workman or the millionaire. They ultimately accomplish the same result; they increase the supply of things that the whole community wants.



If that view is sound, it demonstrates that there is a fundamental unity in society which no power or conspiracy can do away with. Individuals may be selfish, they may scheme for personal and temporary advantage; but whatever gains they make, insofar as they are saved and turned into reproductive capital, react to the benefit of the whole community. If there is such a fundamental unity in society, then any class conspiracy to gain advantage for that class is futile. The employing class is dependent upon the wage-earning class for a market. The farmer cannot eat his own crop, or employers trade goods with each other. If there is increased production, it must go to the only possible consumers, the masses, and none can be so interested in every movement that will increase production as the masses.

People talk vaguely and sympathetically about bettering the condition of the wage-workers, too often with little comprehension of industrial conditions. They treat it as a matter of sentiment and choice, instead of what it is, viz.: a result dependent upon more effective organization and a more harmonious spirit in industry. The betterment of industrial conditions will come in the future as it has come in the past, by increasing the individual output, never by policies restricting the output.

We have heard a good deal about a "new freedom." I tell you that any new freedom that seeks to make conditions where inefficient managers of business can successfully compete with enterprising and capable managers of business is a dangerous sort of freedom. Any system which aims at hampering the enterprising and the capable, circumscribing men of vision and originality for the purpose of protecting and supporting other men who lack those qualities, is not only vicious in its morals, but is bound to be disastrous in its economic effects, in just the proportion that it is successful. Inefficient employers are not the ones who raise wages. They could not raise wages if they would. The important thing in our industrial life is not that any particular individual or concern shall be kept in business, but that business shall be so conducted that production goes on in the most economical manner. We frequently make the mistake of putting too much emphasis upon the division of present profits and too little emphasis upon the development of industry. Suppose a man of superior skill with the aid of large capital and the introduction of the most efficient methods does make a great fortune where none existed before, who really profits by it? The answer is that society will get all of it that he does not eat or wear out. His savings, just as much as the savings of his humblest employee, must find their way into reproductive employment. The industrial plant somewhere will be increased. Production will in turn be cheaper and society will be the gainer.

I believe in the essential unity of society the world over, but I hold it to be no unworthy sentiment to have a special interest in the development of a spirit of unity in my own country. We cannot be one people without a knowledge of our common interests. The war with all its horrors and burdens for the people engaged in it, is not an unmitigated evil, and one of the benefits is the growth of the spirit of national unity in these peoples. There is no doubt that if all class misunderstandings are not cleared away, at least there is better knowledge and greater mutual respect. They have seen each other show the true metal and make the supreme sacrifice, and the extremes of society are nearer together than they have ever been before. It will be easier for them to discuss their differences than before, while in this country on the other hand there is danger that the antagonisms which vex and obstruct industry will be intensified by the conditions during and following the war.

Under the pressure of necessity, the British people have become enormously more productive. Industry has been

lifted out of the ruts of custom and rule, initiative has had free play, machinery has given new powers to the workers and organization has been modernized with results that have been a revelation. The war wages cannot be paid upon commercial work after the war, if production falls back to the old methods, but they can be paid if production is maintained by the new methods. There is anxiety about the future, but the best observers do not believe the British workman, now that the demonstration has been made, will go back to the old limitations and the old pay. They believe wages will be bigger and costs lower than before the war, and that the difference in the cost of production may offset the interest on the war debt. The cost of living is high there now, owing in part to the high freights on all importations, but after the war is over these costs will decline rapidly and if wages can be kept at the present level the condition of the wage-earning class will be better than before.

Will industry in the United States make the same progress? There is warning in the fact that adversity is usually a better teacher than prosperity. The latter comes by fortuitous circumstances and we enjoy it, relax, and take our ease, while adversity puts men upon their mettle and calls up all their resources. In some respects we shall be stronger after the war. We shall be richer, our productive equipment will be better than ever before, but these will not avail without a spirit of unity and good understanding in our industrial organization. The account we give of ourselves will depend at last upon the men behind the machines. We have an opportunity such as no country ever had to lay the sure foundations of a great future, but we must not lose our heads. We must be an harmonious and efficient people. We must work for our common interests, employer and wage-earner striving together, and the Government backing them up as it properly can. We must not be so intent upon dividing the proceeds of present prosperity that we fail to safeguard its permanence.

To just the degree that each of us is wise, it seems to me that we should each see that at the present time we have some extraordinary duties of citizenship, duties that transcend in importance and are more fundamental to the welfare of ourselves and our children than any of those things that may seem more closely related to our business lives. These duties of citizenship involve the giving of serious thought to the vast currents that are shaping our affairs to-day. It is the personal duty of each of us better to understand our relations to these world movements and to bring to the decisions regarding our national attitude a fine spirit, a spirit of courage and determination to uphold our own just rights, and, if necessary, to make present sacrifice for future welfare. We should open our minds to the facts of life as they are presented to-day in our affairs, recognizing that, no matter how rich and brave a people may be, they cannot meet organized opposition without adequate preparation and organization of their own, without reasonable preparation for any contingency.

While on the one hand we are turning our attention toward foreign relations, we should, with proper sympathy, but with sound economic understanding, seek to harmonize those differences in our own social order which may become more dangerous than anything that threatens us from the outside. Seek to have yourself and to help others to have a true spirit of unity. That spirit is the natural result of knowledge that our interests are mutual and interdependent. There are few things more important to this country to-day than that such knowledge shall be disseminated. If the leaders of industry understand it themselves, they can disseminate it. The wise business man does not quarrel with difficulties; he makes a study of them and overcomes them. If he cannot overcome them, he is not a successful leader, and some one else should have his position of influence. It is a rule of the business world to require results; not excuses that put

the blame somewhere else. Let us go home with a sense of responsibility upon us, and at our own desks, and in the business men's associations of which we are members, do our part to spread a general knowledge of this funda-

mental truth that all social and industrial activities are thoroughly interdependent and that society's welfare will be promoted in the degree that co-operation and fair play are developed.

## Co-operation

BY JOSEPH CHAPMAN, Vice-President Northwestern National Bank of Minneapolis

Mr. President, Ladies and Gentlemen and Members of the American Bankers Association: It is a great honor to be allowed to address a convention of this character.

When I was asked to speak here last May I was given the choice of a subject and I chose the subject "Co-operation," but after listening to the splendid address of our President this morning, and of Mr. Vanderlip, who followed him, I found that the groundwork of my speech was pretty well covered. I feel a good deal like the Swede up in Minnesota where I come from, who, not having a very great command of the English language, and he wanted to go into the lemonade and popcorn business at the circus. He listened to the Americans who were on the opposite side of the street, calling out "Lemonade, five cents a glass, popcorn, ginger ale, five cents a glass," and when there would come a little lull in the conversation he would say, "Same pain over here." (Laughter.)

I heartily endorse everything the gentlemen said this morning on co-operation. Conditions originate in the banking business, and I wonder how many of us realize how rapidly they are changing. In the two years since the Federal Reserve Act has gone into effect, marvelous changes have come to this country, not only to business in general, but particularly to the banking business. In no department of our commercial activity have the changes been more rapid or more revolutionary than in the business in which we are engaged.

When Napoleon told his counsellors that he wanted to found a bank in France which would make credit easy and money cheap for the people of France, they carried out his wishes, and the Bank of France for over 100 years has been doing that in France. Gentlemen, our Federal Reserve Act is founded largely on the experience of the old continental banks in Europe. As those banks did in Europe, this Federal Reserve bank is doing in America today, and we have not yet adjusted ourselves to these changing conditions.

The first thing that occurs to us as bankers is, that there has been a great deal of adjustment in the rate of interest we are loaning to our customers for; but there has been very little adjustment in the rate of interest on the money which we are paying in the shape of time deposits. Notwithstanding this great reduction in the rate of interest, and the small profits the bankers are making, I was very much amused last evening to read in the city *Star*, in large headlines the statement of the Hon. Skelton Williams, Comptroller of the Currency: "Unrest due to high interest" in large type. "Blame for much social and industrial discontent was placed upon excessive interest rates by John Skelton Williams, Comptroller of the Currency, in addressing the City Club luncheon to-day." "Records of my department show in communities where the interest charges to small borrowers are excessive," he said, "there is the greatest unrest, and the cause of this seditious reformer is given the most welcome hearing." The Comptroller told of investigations revealing rates as high as 100 per cent., for short time loans.

The Hon. Comptroller of the Currency addressed one of the Sections of this Association the other night, on the topic "The Soul in the Dollar." He evidently

came here with two speeches in his pocket, one entitled "The Soul in the Dollar," and the other should be entitled "The Hole in the Dollar" (laughter). One is delivered to the American Bankers Association, the other to a semi-political luncheon club.

Gentlemen, I submit the first place that co-operation ought to start in this country is between the Federal Board at Washington and the Comptroller's Office, and the individual banks who are at their mercy today. And I protest that it is absolutely unfair to the bankers of America to have the man holding that great office hold up to ridicule the thousands of bankers in the United States, on account of the few half dozen or more who were charging high rates for very small loans. If the system is going to be a success, gentlemen, I submit there must be co-operation.

A member of the Federal Board in Washington, a year ago, made this statement at a dinner—that the Board had very little sympathy with the complaints of bankers regarding the subject of the eliminating of the exchange charges, because their investigation showed that the people who were making the loudest complaints were people who were paying five, six and seven per cent. for time money. He said "Gentlemen, if you want to increase your earnings, the Board in Washington will help you to reduce that interest rate." I am going to speak about that a little later; and I am going to pause right there, in order to enable that to sink into your minds. There is meat there—and much meat. It has much nourishment in it.

The people of the United States have seen the operation of the Federal Reserve Act. They have seen that in two years we have brought back from Europe two billions of dollars in the shape of bonds and stocks. They have seen us loan one billion and six hundred and twenty-five million dollars to foreign nations. They have seen our foreign trade expand two billion, two hundred and fifty million of dollars. They have seen that in a time of the greatest war that has ever existed in this world, and their verdict is that there is something very good and substantial in the Federal Reserve Act.

Gentlemen, I am going to submit this idea also, but that it is impossible for the Federal Board at Washington and the Federal Reserve banks in the various districts to adjust themselves to each of the twenty-seven thousand banks in this country. If that is impossible, there is only one thing for us to do—we must adjust ourselves to the Federal Banks, and whether we like it or not is immaterial, and that is what we are coming to.

During the past year, during the twelve months from June 30, 1915 to June 30, 1916, I think the records in the Comptroller's office at Washington will show that the banks in a period of the greatest prosperity we have ever had, have made less money than at any time since 1893. We are not in business for our health. A bank that does not make money, that does not lay up money for a rainy day, for losses are absolutely inevitable, that bank is not a safe bank for people to do business with. Now, the banks of this country, I submit, gentlemen, must be allowed to earn their dividends, and something for a rainy day.



Now, is the initiative for this coming from Washington, or is it coming from ourselves.

When the Interstate Commerce Act was passed, we did not see any commercial associations, or any bankers associations going down to Washington protesting that the railroads were going to be put out of business. We were all attending to our own business. Gentlemen, that is the condition today. You need not expect any delegation to go down to Washington to represent the Bankers of this country. What we do, we must do in ourselves, and by ourselves, and I am going to submit this proposition to you: There are certain ways to make money, there are certain things which banks were warranted in giving their customers, prior to the Federal Reserve Act, or the passage of that Act, free, which we are not warranted in doing under conditions to-day. For instance, I have been in banks in this country that furnish safe deposit boxes to their customers free. Not only did they furnish them free, but in some banks I have seen the customers' keys hanging in the boxes, and the master key hanging alongside on the wall, where any customer might go in and help themselves to any box which might take his particular fancy. No charge was made in that case, because of the fact that the banker was afraid that his competitor across the street was going to give that service to his customer for nothing, in order to get his account. When you consider liability, even in a well-managed safe deposit department, and then consider what liability might be caused through carelessness in such a case as I have just described, there is no banker in America that is warranted in furnishing that kind of service free.

Let us look at another proposition. I have referred to the rate of interest which we pay on time deposits, and to a suggestion made by the gentleman from the Federal Board at Washington. In older countries, where they have had systems similar to our Federal Reserve Act, they do not pay the rates on time money that we pay in this country. In other words, today, gentlemen, we are in the situation where we are still paying the maximum for our deposits, and are loaning at the minimum. That will have to be adjusted.

I am not saying that it should be a permanent adjustment, but certainly some sliding scale ought to be evolved by the bankers themselves, by which they won't be paying more for money than they can loan the money for, and pay taxes and dividends and expenses besides. Such banks cannot last. They will go out of business,

Another place where we can make money, and a place where most of us are not making money at the present time, is by following the same continental system they have, where they have these cheap rates in the great government banks. There, if you want to open an account with a bank, and your bank account does not average a certain amount, you pay a service charge per month, for the bank doing your bookkeeping for you and furnishing that service. How many banks in America do that today? Gentlemen, we will be forced to put that charge in, in order to make enough money to keep in the banking business.

These three things which I have outlined—getting paid for services in our safe deposit vaults; reduction of rates of interest and the service charge on the balance, where the balance does not warrant us in giving that service free—these three ways will bring in a great deal of money to the bankers of this country.

How are we going to bring that about? Well, I will tell you one thing we have to do. There is nobody as much interested in you, as you are yourself. If you have not the ability to get together with your competitor across the street, and get legitimate money for the legitimate service performed, I don't see how you are going to expect the Congress of the United States to

pay any attention when you go down there whining about this thing and whining about that thing. We must get together first ourselves in a legitimate way.

Now, in many cities in the United States today there are no clearing houses. Every town where there are two or three banks, there should be a clearing house; every county where it is possible so to do should have a clearing house. There is the correct place for the country bankers in that county to discuss what rate of interest they can pay on deposits, and live, and in what way they can legitimately increase their revenue.

These two ways are neighborly ways, and to my mind the best way we can accomplish it; but you cannot do it by being jealous, and suspicious of your competitor, suspicious of everything that he does and everything that he says. You will never get anywhere if we are to continue along that line. We are just beginning to realize today the value of associations of bankers, because as we see our profits dwindle, we will have to get closer to our competitors, and we will have to do these things, where formerly it was more or less of an academic question, with us in discussing them in our bankers associations; but, gentlemen, we will have to do those things from now on, whether we want to or not, and we might as well smile and treat our competitor as a good fellow, and talk it over, and see how we can each live, and make a little money. So much for those organizations of banks in accomplishing these results. Now, I am going to come nearer home for a minute.

In many banks in the country it is the custom for the officers of the banks to get together, either the first thing in the morning, or as soon as the bank is closed, and go over the business of the bank every day, calling in the younger men in the bank, discussing the bank's business, laying out plans for the day, and designating somebody to carry them out—that is efficiency. A great many banks do not do that. Too many banks are still one-man banks, where the boss has all the say and the under-officers and the employees nothing. In my own bank, I go even farther than that. For some months I have offered a prize to the clerk in the bank who would get the greatest number of accounts during that month; another prize for one who would get the largest balance in any account during that month; and a third prize for the second largest number of accounts; but the most important prize of all is the prize given to the employee of the bank who brings into that monthly meeting the best idea for increasing the efficiency of that bank.

Gentlemen, the banking business in this country, as a profession, is in its infancy. We overlook a great deal of powerful force asleep in our banks, because we don't recognize it, and the system of offering a prize to the young men in your bank, not only develops them, and makes bankers out of them, and better men, if you will, but it will increase the business of your bank.

I am very hopeful over the future of the banking business in this country, and the reason I am is because there are being trained in this country some 15 or 16 thousand young men in the Institute of Banking. They will have not only the actual practice of banking, but they will have what many of us never had—the theory of banking, and international banking. (Applause.)

I am going to close now, and in closing I want to leave this thought with you; it is just a little couplet, but it is very pat.

"If I can be no good to you,

And you, no good to me,

The world without us would go well,

So far as I can see."

Gentlemen, I thank you.

## *The Country Banker's Opportunity*

By JOSEPH HIRSCH, Vice-President of the Corpus Christi National Bank, Corpus Christi, Texas.

At the request of our Chairman, your Administrative Committee has delegated to me the interesting task of presenting an outline of work accomplished, and some of the plans and purposes of your Agricultural Commission, and I have selected the text, "The Country Banker's Opportunity," in order that I may set forth a few of the striking opportunities presented Country Bankers in this comparatively new field of practical endeavor.

A retrospective glance may enable us to more strikingly illustrate the increasing interest aroused in this work among bankers generally. Five years ago the first conference of bankers agricultural committees was held in Minneapolis. Eight associations were represented. For two days agricultural educators—scientists who had made a life study of the agricultural needs of this country—pointed out ways by which bankers might assist in the economic development of their country, and plans were discussed by the bankers present for furthering this movement in their respective States. The conference proceeded to permanent organization by the election of Joseph Chapman of Minneapolis, as president, and the following month the American Bankers Association, recognizing the importance of the movement, appointed a committee on agricultural and educational development, with Mr. Chapman as chairman, a position which he filled with distinction for two years.

Your committee proceeded on its duties with the utmost vigor, and when Chairman Chapman sounded the gavel for the second annual conference on August 7th, 1912, twenty-three State Associations answered the roll call, the United States and Canadian governments were both officially represented, while agricultural and educational authorities and economists of national reputation were on the program. The proceedings were not only intensely interesting, but reports from the 23 States represented indicated that great practical benefit was being derived by those communities which had interested themselves in the movement.

I shall never forget the remarkable address delivered before that conference by the lamented James J. Hill. I can see his venerable figure as he stood before us that day, and I well remember the gratification he expressed that bankers were beginning to evince an interest in the preservation and intelligent cultivation of our soil. By a series of startling comparisons, he pointed out how the nations of Europe excelled us in the production of the great staple crops, and how foreign banks and business interests had increased the wealth of these European nations by joining hands with Science in the upholding of a permanent and prosperous agriculture.

This is the work your Agricultural Commission is endeavoring to perform. It is seeking to extend to every state of the Union the doctrine that safe and sound agriculture means safer and sounder banking and to stimulate the adoption of the methods advocated by the agricultural colleges, through the medium of a recognized community leader—THE COUNTRY BANKER.

A third meeting was held in 1913, and the same year your Association, acting under its new constitution, appointed an Agricultural Commission, with Mr. B. F. Harris, of Champaign, Ill., as chairman and under his splendid leadership the movement has continued to grow, until to-day forty-two of the State Bankers Associations have standing committees on agriculture.

A word as to the activities of the various states may be of interest at this time. We shall have to touch on these very briefly.

Indiana, Illinois and Minnesota have been foremost in the development of the consolidated rural and agricultural high schools and good roads movements. They employ seventy-five county agents, and have immeasurably increased the wealth of their states, by development of the dairying and live-stock industries.

The activities of the North Dakota Association are so well known that it is hardly necessary to touch on them at this time, further than to say no State in the Union has done better work along the lines of diversification and the change from a one-crop to an intelligent, self-sustaining livestock farming than the State of North Dakota.

We are receiving encouraging reports from the Pacific Slope. The Washington committee has been very active in this work from its beginning, due largely to the interest aroused by Mr. W. D. Vincent, one of the first members appointed on your agricultural commission. The Washington Association is organizing community Bankers and Business Men's Leagues—is planning a Bankers' Business Men's and Farmers' excursion to their State Agricultural College for a joint conference, and has been stimulating the employment of county agents.

California is just starting work and has a live committee, which is advocating the purchase of pedigreed stock for breeding purposes, and conducting a vigorous campaign among California bankers looking to the co-operative marketing of California products and the protection of her fruit industry, while a state-wide campaign is being undertaken for financing the purchase of pure bred dairy cows on easy terms.

The Idaho Association contributed \$500.00 for the boys and girls club work, and largely as a result of bankers' activities over eight thousand children are now enrolled in the various clubs, and the records show that the value of the products raised by these little children of Idaho amounted to over \$50,000.00 last year.

Michigan has been active from the beginning of this work, and, under the auspices of the Michigan committee, conducted "Oat" and "Corn" Weeks last Spring, movements looking to better seed selection, and cropping methods. Michigan now has over fifty agricultural schools, due largely, it is authoritatively stated, to activities of Michigan bankers.

Missouri has done some remarkable county agent work, while Missouri bankers have distributed thousands of dollars in prizes for the boys and girls clubs. In its report the Missouri committee expresses the opinion that bankers can do more to bring about improved farming methods than any other agency—because of the influence of the country bankers with their farm customers.

The Middle West—Iowa, Nebraska, Kansas, Oklahoma—all report increasing interest in the work. The Iowa and Kansas Associations are doing a notable work in the distribution of farm accounting books—Kansas having distributed over thirty thousand of these accounting records last year. Through improved farming methods Kansas has become one of the richest States in the Union, largely as a result of the co-operation of Kansas bankers with their Agricultural College.

The Iowa Association, in stressing the importance of farm records, makes the interesting statement that the farm and livestock industries of Iowa exceed one billion dollars in value annually. Yet, it is estimated that less than ten per cent of the Iowa farmers keep books.

We are beginning to get reports from Pennsylvania. President Sams, of the Ohio Association, has been an



enthusiastic supporter of the work of your Agricultural Commission, and Ohio bankers are evincing a lively interest in county agent and boys and girls club work, and are contributing freely to the success of these movements.

Vermont and New Jersey are starting work, and now Massachusetts—manufacturing Massachusetts—is developing a live agricultural committee, and under the auspices of the Massachusetts Agricultural College an interesting conference of bankers was held at Amherst last May to consider measures looking to rural development. The Massachusetts committee, in an interesting report regarding rural conditions in New England, points to an alarming decrease in rural population, while it is stated that against 12,000,000 acres of improved farm land under cultivation in 1860—there were but 7,000,000 acres in 1910—a loss of 5,000,000 acres of cultivated land in a period of fifty years, while the land that is still under cultivation has greatly deteriorated in productivity. County leagues are being organized to combat these conditions, and Massachusetts and New England bankers generally, are interesting themselves in the movement.

Colorado is doing some excellent work under the able guidance of Chairman George T. Wells, a member of this commission. Mr. Wells has been covering the ground in some of the neighboring States of Idaho, Montana and Wyoming. It is interesting to note that fifty-six bankers are enrolled on the Agricultural Committee of the Colorado Association.

Southern bankers have been particularly active, because the need of agricultural development has come more closely home to the bankers of the South.

Mississippi and Alabama present very interesting reports. They are especially interested in the government demonstration work, in the boys clubs, in the home demonstration work, in the building up of the livestock industry—matters vital to every Southern State. Mississippi has done remarkable work in the eradication of the cattle fever tick, which has cost the South untold millions of dollars.

Last winter the Virginia Bankers Association sent twenty boys to their Agricultural College for the short course, and when the committee reported at the June convention the Association doubled its appropriation for this purpose and announces that it hopes to send one hundred boys and girls to college this winter.

Georgia makes a remarkable report. The Association has subscribed a loan fund of \$1,500.00 and has paid the tuition for thirteen boys at the State Agricultural College and for two girls at the State Normal College. These fifteen pupils were advanced \$100.00 each, for which they gave their notes payable on or before one year after graduation, with four per cent interest. The Association also advanced \$750.00 for the tuition of thirty boys and girls for the short term at the Agricultural College. The Georgia Association has taken an active part in the county demonstration work and good roads movements, and is, indeed, doing a noble work among the farm children.

South Carolina's committee, headed by Robert I. Woodside, a member of your Agricultural Commission, reports great interest in the demonstration work. Many South Carolina banks have advanced funds for the purchase of thoroughbred cattle. The activities of the South Carolina Committee were largely responsible for the adoption of the Torrens System of Land Title Registration, and, in many ways, South Carolina bankers are lending encouragement to all phases of rural development.

The Wisconsin Committee has done exceptional work, and Chairman Von Berg, working in conjunction with President J. R. Wheeler of the Wisconsin Association, the latter a member of the Agricultural Commission for the past three years, has furnished an inspiring example of what intelligent leadership in this work can accomplish. The Association has stressed the importance of pure bred grains and corn—has been active in county agent work—has distributed more than 30,000 monthly

bulletins relative to agricultural betterments, and at its annual convention this year conducted a special meeting in conjunction with the Agricultural College, which brought out and held the sustained interest of a record-breaking attendance. But the outstanding feature of the Wisconsin Committee's activities was the famous Banker-Farmer Excursion to the State Agricultural College at Madison, last April. Over four hundred farmers and fifty-four bankers attended this meeting, which was called for the purpose of discussing the best methods of co-operatively developing the agricultural resources of the state. Dean Russell, addressing the gathering, made the statement that the activities of the Wisconsin Bankers Association had immeasurably assisted in the agricultural development of the state, and it is authoritatively stated that the assistance rendered by Wisconsin bankers in the purchase of pure bred dairy cows and the development of the dairying and creamery industries, has added millions of dollars to the wealth of the state.

Texas has been active in county agent work—over one hundred being employed in the state. Two hundred and forty-five bankers—one for every county—directed by fourteen zone chairmen, constitute the Texas committee. Last year the Texas Association conducted a memorable cotton warehouse and marketing campaign and increased the warehouse capacity of the state by over 700,000 bales. The Texas Committee is now conducting a state-wide campaign for increased livestock production. A chart has been furnished each Zone Chairman, showing number and classification of livestock in his district, compared with twenty years ago. The figures show startling decreases, and present a striking illustration of the need of arousing interest in the matter of increased livestock production. Mr. W. G. Breg, chairman of the Texas committee, is president of the U. S. Bond & Mortgage Company of Dallas, an institution conducting a farm loan business. He is a city banker who is taking an active interest in the preservation of Texas land values—values which directly affect the securities of his company. I make this statement because I desire to say to the officers of the great savings banks, trust companies, and life insurance companies, who invest so heavily in farm mortgages, that your great metropolitan institutions are vitally concerned in the problem of preserving—and increasing—our national land values. I urge your co-operation in the work your Agricultural Commission is endeavoring to perform. Some of you, I know, have considered this phase of bankers' activities not germane to the purposes of the American Bankers Association, but permit me to point out that there is no problem—no one thing—which so concerns all the banks of America as the conservation of our soil—which may be accomplished only by intelligent crop diversification and the development of our livestock industry.

The work of your Agricultural Commission has consisted, largely, of keeping in touch with and stimulating the activities of the state committees. This has been done through the medium of the commission's official publication, "The Banker-Farmer," and by the annual conferences of the Agricultural Committees. The memorable Chicago Banker-Farmer Conference, the culmination of months of effort on the part of Chairman Harris, was one of the most remarkable meetings ever held in America. Thirty bankers' associations were represented. Over three hundred and fifty men, foremost in the financial, agricultural and commercial life of the nation, outlined a practical campaign for co-operative effort the results of which are spreading to every state of the Union. The famous Tri-State campaign conducted by Tennessee, Mississippi and Arkansas bankers, under the auspices of the Memphis Farm Development Bureau, is directly attributable to the influence of the Chicago conference, and Memphis bankers already point to increased bank deposits in their trade territory as a direct result, while it is stated that the agricultural wealth of Arkansas has been in-

creased \$30,000,000.00 and bank deposits \$10,000,000.00 in two years, largely as a result of the memorable Arkansas Better Farming Campaign, conducted under the auspices of Arkansas bankers and other existing agencies.

The South has taken hold of this problem with an energy that might well be emulated by our progressive brethren of the North.

Last year cotton states bankers, by a vigorous and concerted warehouse and gradual marketing campaign, are said, by an eminent authority, to have added over \$100,000,000.00 to the value of the cotton crop, while this year Southern farmers, stimulated by a South-wide safe farming campaign, undertaken jointly by Southern bankers and Southern newspapers, have saved millions of dollars in feed and food stuffs produced at home, and at the same time have automatically held cotton production down to barely the world's requirements and, as a result, the value of the 1916 cotton crop will exceed the amazing total of one billion dollars.

In the publication of "The Banker-Farmer," your commission has endeavored to acquaint the membership with the work being undertaken by the various State Committees. Many of the greatest financial, educational and agricultural authorities in America have contributed to its pages. Twenty-three (23) of our state associations are now distributing "The Banker-Farmer" among their members. The paper enjoys a circulation of some 400,000 copies per annum, of which approximately 220,000 are being purchased by individual banks for distribution among their farm customers, while the remainder are being distributed by the State Associations. By the publication of special numbers devoted to rural problems of national importance, "The Banker-Farmer" has endeavored to shape the policies of State Committees. Its cartoons have been reproduced by a number of leading newspapers and magazines of the country. A recent feature is the furnishing of plate matter to member banks for advertising purposes.

Co-operation on the part of the members of the Association will greatly increase the scope of the paper's influence. Country bankers are urged to contribute articles relative to agricultural development work being undertaken in their communities. The magazine invites your criticism as well as your support, and suggestions for the future conduct of the paper will be gratefully received by the management.

In the prosecution of the work of your commission, in the publication of the magazine, in urging and obtaining the co-operation of the State Associations, in spreading this great movement to every state of the Union, the mainspring of our activity has been your chairman, Mr. B. F. Harris. Whatever measure of work may have been performed, I feel that I can speak for the other members of the Commission in saying that the results obtained have been due almost entirely to the untiring efforts of our chairman. It has been my pleasure and my privilege to have been associated with him in this work for the past three years. His example has been a constant inspiration to me and to every member of the commission. You little realize the tremendous amount of work that he has performed. For three solid years I know that the greater part of his time and effort have been given to your service. Few men have labored as faithfully—few have performed as well. In his retirement as chairman of this commission, I feel that the American Bankers Association is suffering a distinct loss.

Time will not permit us to dwell longer upon the work already accomplished by the state committees. Much has been done, but we are merely on the threshold of endeavor. One of the new activities which should engage the attention of our country bankers is the general adoption of a farm credit statement system. I am submitting, as a portion of this report, the Bennett rate sheet, which has been recommended by Hon. Bradford Knapp, of the

U. S. Department of Agriculture, in a number of addresses delivered by him before bankers' associations. Over two hundred Texas bankers are now using this statement form, as the result of a campaign being conducted jointly by the Texas Bankers Association and the Agricultural College. A field agent is calling on every country banker in the state, explaining the merits of the system. The entire expense of this movement is borne by the college. The Bankers Association, co-operating on account of its influence with its members. With the increased appropriations now available to the Land Grant Colleges, I believe these institutions will be glad to co-operate in similar movements. I am sure every member of this Association will agree that it would be highly desirable to have in his files the financial statements of his farm customers. It is equally advantageous to the farmer to furnish a statement—it is the first step in farm book-keeping. A farm credit sheet means safer farming and safer country banking.

Country bankers should play an important part in shaping the policies of the new Federal Land Banks. Without entering into a lengthy discussion of this measure, it is apparent that its chief economic value lies in the extended period of payment afforded the borrower. This, in my judgment, is of far greater importance to the farmer than a slight lessening of his interest rate—if the Act lessens the rate at all. But by decreasing the annual burden of the farmer it will permit him the use of funds for development of his farm, for the construction of barns, silos, etc., and for investment in livestock. In short, it will permit the use of funds for what our distinguished vice-president and sound thinker—Peter Goebel—calls "Constructive Purposes."

The great rural problem of this country, as it has been of all countries, is to make it a nation of land owners. It has been pointed out in certain quarters that the present measure offers no hope to the deserving tenant farmer who desires to become a farm owner.

On the contrary, the act, providing, as it does, for long time loans, running from five to forty years, on a basis of fifty per cent of the appraised value of farm lands, presents an opportunity for the sale of lands by present land owners to hard-working, ambitious tenant farmers, accepting as first payment the cash advanced by the Federal Land Banks, and taking a series of long time, second-lien notes for the remainder of the purchase price. Such an arrangement would permit thousands of tenant farmers to purchase their own farms and pay for them out of the annual earnings.

If the country bankers of America will join in a campaign to induce land owners to sell farm lands to present tenants upon some such basis, they will be engaged upon one of the greatest movements ever undertaken for the agricultural and financial development of the nation.

The consolidation of rural schools and the establishment of agricultural high schools, are movements which should spread to every state of the Union.

We are just beginning to think about these things in America. Europe long ago learned the lesson that in the scientific cultivation of her soil—in scientific agricultural instruction—rested her future prosperity. The marvelous ability of Germany to feed herself during the past two terrible years of war is the result of a half century of scientific agricultural education. France, the great producer nation of the world, has nearly fifty thousand agricultural schools.

The future of this nation depends upon its agricultural prosperity. The establishment of agricultural schools and the consolidation of rural schools, which will give our farm children educational facilities equal to those enjoyed by their brothers and sisters of the towns, constitute the foundation of a permanent agricultural prosperity.

Experience teaches us that good roads are absolutely



essential to consolidation. Under the Shackleford Act, \$75,000,000.00 of government funds will become available for good road construction during the next five years, based upon equal appropriations by the states. In shaping legislation leading to improved rural educational facilities and the construction of improved highways, country bankers are offered opportunities for genuine national service.

But the greatest opportunity offered our country bankers lies in the extension of County Agent work under the provisions of the Smith-Lever Act. Under this Act there is now available \$1,580,000.00 of government funds, which increases by \$500,000.00 each year until 1922, at which time there will be available \$4,580,000.00 per annum, based upon equal appropriations from the states, thus providing nearly ten million dollars per annum for agricultural extension work.

Up to 1912 practically all of this work had been conducted in the South.

The demonstration agent, as you doubtless know, is a man of practical experience, who brings to the farmers of his county the results of scientific investigations in agriculture. Farmers cultivating land under agents' supervision are called "demonstrators." Farmers employing demonstration methods, but not actually under the agents' supervision, are termed "co-operators." In July of this year there were 914 agents and 105,522 adult demonstrators and co-operators in the Southern States. There were also 451 women agents in the home demonstration, or girls' and women's work. The results of the demonstration work are so amazing that I submit a few figures for the careful consideration of the American Bankers Association:

In 1914 the principal experiments conducted with the great staple crops of cotton and corn show that on 9,392 farms, with a total of 129,475 acres, Southern demonstration farmers averaged 1,044.77 pounds of seed cotton per acre, against 623.7 pounds—the general average; while 13,565 demonstrations conducted on 110,408 acres planted to corn show an average of 34.83 bushels per acre, against an average yield of 20.7 bushels produced in the Southern States. In 1915 over 20,000 Southern farmers, employing demonstration methods, on 218,000 acres produced an average yield of 1,180 pounds of seed cotton per acre, and 56,000 farmers employing demonstration methods on 480,000 acres, produced an average yield of 37.7 bushels of seed corn per acre. Figuring lint cotton at ten cents the pound, and corn at seventy-five cents the bushel, the cotton demonstrations show an increased value of approximately \$4,000,000.00, and the corn experiments an increased value of \$7,000,000.00 over the average productions of cotton and corn on equal acreages. Demonstrations in oats, wheat, rye, barley and other staple crops, show equally amazing results.

In 1915 over 50,000 pure bred and grade animals were brought into the Southern States, due to demonstration agents' influence. Seventeen hundred farm clubs were organized, with a total membership of nearly 50,000. The agents made over 600,000 visits to farms, traveling more than 3,000,000 miles. Thirty-two thousand meetings were held, with a total attendance of 1,200,000 farmers, while over 1,000,000 government bulletins have been distributed by county agents. Over 13,000 visits were made to Southern schools by agents, and there are now enrolled in the Southern boys' cotton, corn, pig and other clubs approximately 53,000 boys, while there are 37,000 girls enjoying the benefits of the home demonstration work. The increased yield of our great staple crops is a matter of vital importance to this nation. Our population has increased nearly 25,000,000 in the last fifteen years, while production of our great staples has been almost stationary, and there has been an alarming decrease in livestock production. France, Germany and Denmark produce twice as much wheat, rye and oats per acre, and far excel us in the yield of other staple crops, and, in every phase of

production, we make a lamentable comparison with the great nations of Europe.

The extension of the field demonstration work will add millions of dollars to the wealth of this country, and leading Governmental and State Agricultural authorities testify that the co-operation of bankers has been a potent factor in the development of the movement. The United States Department of Agriculture and the Agricultural Colleges furnish the scientific direction—the banker's local influence helps to establish the work. Local legislation is necessary for the appropriation of county funds—the banker's influence secures it.

Your Agricultural Committees should bend their energies toward placing a field demonstration agent in every agricultural county of the Union, and in this field of co-operative endeavor a magnificent opportunity is offered the country banker.

By some, who have not, I fear, made a close or intelligent study of the subject, the bankers' exploration into the field of agricultural activities has been termed a theoretical uplift movement. In my judgment, co-operation with the agricultural colleges in the extension of the field demonstration work is one of the greatest practical movements ever undertaken by this Association. It will increase bank deposits and add immeasurably to the security of our loans. Your agricultural committees are not endeavoring to teach the farmers of this Union how to farm, but they are working in conjunction with the agricultural colleges to bring about those methods which mean a more permanent and prosperous agriculture and a safer, sounder banking. I urge every country banker in this Association to interest himself in the enactment of such local legislation as may be necessary to enable his community to participate in the benefits of the Smith-Lever Agricultural Extension Fund, and I venture the prediction that you will never have undertaken a work which will bring to your community a greater and more immediate prosperity, or to you a greater personal satisfaction. We of the South know what this work means. We are seeing communities change from the slipshod, dependent methods of the past, and our country blossom forth as an independent, self-sustaining, prosperous and contented New South. We see the little boys of our Southland receiving a practical education on the farm. We see them raising their little plats of corn and cotton and establishing records for production in the South. Through the establishment of boys' pig clubs and baby beef clubs, they are learning the South's much needed lesson of increased and better livestock production. Their sisters, under the intelligent direction of the home economic agents, are planting their little home gardens, preserving fruits and canning vegetables, raising poultry, studying sanitation and beautification of the farm home, and are qualifying themselves to become intelligent, capable, cultured, modern farm women.

The boys and girls club work has been tremendously accelerated by the bankers' activities, and the club prizes, which so stimulate the children's interest, are due largely to the financial support of the banking and business interests of the country.

The women of America have awakened to the importance of this movement, and the National Federation of Women's Clubs is appointing committees on rural welfare all over this broad land. You good women, the wives, sisters and daughters of American bankers, have here an opportunity to join with us in this great practical work. I appeal especially to you who have dear children of your own—children who enjoy good educational facilities—to join with us in extending equal opportunities to the children of our rural communities. Use your influence for the betterment of rural conditions in your neighborhood. Help to establish the demonstration work in your county.

You, fathers and mothers, go out under the open sky—spend a day in the country with your County Agent—

make a trip with that good woman, the Home Economics teacher—visit the boys' and girls' clubs—and when you see the interest manifested by these farm children—the eagerness, the enthusiasm with which they grasp the opportunity to better qualify themselves for their calling in life—I am sure you will return to your homes inspired with the patriotic desire to become an active, personal factor in this great work—a work which, delightfully combining the practical and the ideal, enhances the material welfare of your country—while, through the development of a higher type of rural citizenship, it permanently enriches society.

To help bring about these things in your community may be called an "Uplift Movement," but it is a work which "uplifts" him who engages upon it. In the education of our children lies the future of the nation.

We have heard much of the magnificent opportunities offered American bankers in the development of our foreign commerce, and a number of our great financial institutions are doing valuable educational work in pioneering this field; but the greatest opportunity of this country lies in the development of its marvelous internal agricultural resources. This is the mission of your Agricultural Commission. It is to this work we are committed, and it is this work which we believe offers the greatest opportunity to the country banker.

Your Agricultural Commission is but a small unit in this movement. We need the co-operation of every State Association, and we urge the active support of every member of this organization in the effort to make the American Bankers Association a powerful factor in the economic development of the nation.

## *The Federal Reserve Law and Its Amendments*

BY W. P. G. HARDING, Governor of the Federal Reserve Board, Washington, D. C.

Mr. President and Gentlemen of the American Bankers' Association: This is certainly a very pleasant surprise to me. I did not come here loaded with a speech, but I have had the banking habit so long that I find it very difficult to throw it aside. I have never become accustomed to regard myself as a statesman, and I still feel under the skin the sentiments of a banker.

I believe, however, that I am capable of taking a broad view of things, and I am not hidebound.

I realize certain responsibilities, under my oath, to the whole community, and not unto the bankers alone; I am not ashamed of my banking training, and I have nothing to apologize for whenever I say things in the bottom of my heart from a banker's viewpoint.

I know that many of you have been much disturbed over the ruling of the Federal Reserve Board, in regard to the collection of checks. Possibly a few words of explanation may not be amiss.

When the Federal Reserve Banks were organized in November, 1914, the country was just recovering from the great shock occasioned by the outbreak of the war in Europe.

The Board at that time deemed it wise to defer the full operation of Section 16. We had what we regarded as much more important matters to attend to, but, gentlemen, a year passed, maybe a year and a half passed, and nothing was done toward carrying out what seemed to be the mandatory sections of that Act, and what the Board regarded as its solemn duty. That Section 16, as I have learned, was the result of a compromise. It was not enacted as originally drafted nor was it enacted as in the Senate Bill which was passed, after the visit of the Committee to Washington in 1913, but it was amended in conference. The language of the section is somewhat involved. The counsel of the Board gave that section very careful consideration; he gave us his advice as to the meaning of that section. We had that opinion checked by the Consulting Counsel of the Board, an eminent attorney in the city of New York, and after a very careful deliberation on the part of the members of the Board we issued that circular and regulation of May 1st last, which provided that the Clearing System should go into operation on the 15th day of July.

I want to congratulate the members of this Association upon the course they have adopted. It seems to me that you have reached the correct solution. The Federal Reserve Board is not a legislative body; its functions are administrative. Occasionally it has quasi-judicial functions to perform, but in the main its duties are admini-

strative. It is our province to carry out the law as Congress enacts it, and if there is anything wrong, if there is anything unjust to the banking community in Section 16, as it stands, then it is clearly your right, guaranteed by the Constitution of the United States to go to Congress to state your case and ask that body to remedy the defects that you see in it.

Certainly no member of the Board has any desire to antagonize the legitimate banking interests of this country. We all realize how much you are doing to build up the business of this country, and what you are doing for the welfare of every element in the country. Furthermore, we realize that many of you represent the banks that are members of the Federal Reserve System, that are stockholders of the Federal Reserve Banks. Others represent banks that are not yet members of the Federal Reserve System, but we hope in due course of time to welcome you in as members, and certainly it would be a very shortsighted policy for anybody charged with the administration of the Federal Reserve Law to deliberately drive away and antagonize any important body of men like the American Bankers. At the same time we realize, as every thoughtful banker among you must realize, that a banker has his duty to perform to the public, that he is a quasi-public institution, that he owes something to his depositors and to the public, upon whose business his deposits depend; and I am sure of the result of your deliberations, when you come to Washington, when you meet the committee of Congress. I see no reason why this whole problem should not be solved, to the satisfaction of all concerned.

To-morrow, gentlemen, you will have the pleasure of listening to an address by an able member of the Board, a man who is known throughout the world as a great international banker. He will emphasize the importance of the principle of the Federal Reserve Act. Section 16 shrinks into insignificance as compared with the underlying principles of the Federal Reserve Act; the utilizing of the cash resources of this country: the care of the gold, the ultimate monetary redemption, the only international money. We live to-day in the midst of a great period of prosperity, such in point of volume alone, from magnitude of figures, as has never been before equaled in this country; but, gentlemen, we should realize that in a time like this, when deposits are climbing day by day, and money rates are easy, when the interest payments that you have to make, go along, without ceasing, night and day, and you contemplate this vast accumulation of idle reserves in your vaults—don't we know by experience that



now is the time when we are laying up trouble for the future; that the losses which we appreciate will have come to us in two or three years from now, perhaps,—that the foundation of those losses is being laid to-day? How long, gentlemen, can we expect to continue to absorb the entire gold production of the world, as we have been doing since the first of January, 1915? For ten years past the average gold production of the world has amounted to about \$450,000,000. The net gain in the gold holdings of this country since that time has aggregated over \$700,000,000. In spite of the fact, as Mr. Chapman stated this afternoon, that we have brought back from Europe over two billion, five hundred million dollars' worth of security, and loaned foreign countries \$1,600,000,000,—despite that we have absorbed the equivalent of the gold production of the entire world. It is a solemn responsibility that we have to properly conserve with, and to avoid the dangers of inflation of currency, inflation of credit, which is more insidious, and just as dangerous. And I want to say to you that the Federal Reserve Board has these facts constantly in mind. It believes its highest progress is to urge and caution better banking methods, to impress upon you the necessity of the conservation of our gold stock in the Federal Reserve Banks of the country, in order that when the tide turns, when conditions on the other side of the water are different, and when, owing to the high interest rates prevailing there, when owing to government financing or to restrictions, the tide of gold flows from our shores back, as it surely will, we shall be in a position to control that tide, so that we may not feel the ill effects of its departure from our shores.

I take it, gentlemen, that in the transaction of our domestic business that most of us will agree that gold is unnecessary, that other forms of currency, in paper denominations are more convenient and just as efficient; but I well remember a hearing in Minneapolis last Fall when the great Builder of the Northwest, who has now gone to his final reward, James J. Hill, remarked, "Yes, gold is not necessary; we can use the National Bank notes, we can use Federal Reserve notes, but, gentlemen, we should be sure that the Redeemer liveth!" He wanted to know that the paper money was covered by gold in circulation, so that any who had it, whenever they needed the gold, they could present the currency and get the gold. That, gentlemen, is the highest province of the Federal Reserve Bank, which is to regulate and stabilize our currency, so that those of you who hold any form of paper money, issued through governmental agency, may be sure of your Redeemer—and that you can get the gold when the need for it arrives.

At the same time, you know that it is a great economic waste to use gold coin in the ordinary course of business, the abrasion amounts to so much, and the gold certificates result, in the ordinary course of business, in a terrific

waste; for every dollar's worth of gold or gold certificates in the vaults of the Federal Reserve Bank is a potential power of expansion in case of need of two and a half times.

One of your banks, having a demand from its customers for crop moving purposes, or due to temporary nervousness, may be called upon for a million of dollars, and if you ship that million of dollars out of the country in gold how long will it be before it gets back into your vaults? You know the tendency to hoard gold coin; you know how pretty a yellowback certificate looks. If, on the other hand, you turn that gold or that gold certificate into the vaults of the Federal Reserve Bank, and use some other form of currency, that temporary form is more apt to come back speedily than the gold itself. It constitutes a more flexible and more elastic currency; but I fear that I am anticipating the remarks that my distinguished colleague will make to you to-morrow.

In conclusion I want to call your attention to one very important amendment which has recently been passed by Congress which has just adjourned, and that is the amendment to Section 19 of the Federal Reserve Act, which provides that any member bank, any National bank, may carry any part of the cash reserve hitherto required to be carried in its vaults, on the books of the Federal Bank, as a balance; in other words, if there is a bank that under the old rule would have to carry \$100,000 of lawful money, gold or legal tender notes in its vaults, and the balance of its reserve in a Federal Reserve Bank; if in the conduct of its business, pay rolls, crop moving, and whatnot, it finds that its lawful reserve in cash has run down, say to \$40,000 or \$30,000 odd, so long as you build up to a corresponding degree, your balance in the Federal Reserve Bank, you are complying with the law, as now amended. You can take your time about shipping that money from the Federal Reserve Bank to replenish your vault reserve, and many in remote districts who have hitherto found it expedient to keep gold or gold certificates locked up in your vaults, in order that you can have the lawful money reserve, now find to all intents and purposes for your till money you can use a Federal Reserve note, or a National Bank note, or any other form of currency that comes along.

Then again, the banks in the large cities have large accumulations of gold, whenever they find it desirable to increase the amount of money in circulation, which is certainly not desirable to-day, but may be later on; they can transfer from their own vaults to the vaults of the Federal Reserve Bank their gold holdings, and thereby greatly increase the power of the Federal Reserve Bank to relieve any sudden or difficult situation that may arise. Gentlemen, I thank you very much for the pleasure of being here.

## *The Reserve Problem and the Future of the Federal Reserve System*

BY PAUL M. WARBURG, Vice-Governor of Federal Reserve Board.

It has been suggested that I address you upon the subject of "the future of the Federal Reserve System." To venture to predict the future is always a risky undertaking and I, for one, dislike to attempt the role of prophet. But if our new banking system is to attain its fullest measure of success, we must have in our minds a very definite ideal, a clear conception of the goal towards which we are striving, so that each consecutive step may be a consistent move in that direction. I deem it, therefore, a privilege to be afforded this opportunity

of addressing the leading association of American bankers upon a topic in which its members are so keenly and vitally interested, and which—if we are to achieve the most fruitful results—should be solved by their own efforts rather than by legislative initiative.

The well-known British writer, Mr. Hartley Withers, in his new book, "International Finance," makes the following statement:

"London's credit machinery has grown up in almost complete freedom from legislation, and it has

consequently been able to grow without let or hindrance along the lines that expediency and convenience have shown to be most practical and useful."

When I read this paragraph, there came to me again

the feeling of regret that American banking had not developed in a similar manner; that—owing to reasons which it is unnecessary to review here—our banking methods had proceeded along lines that had proved disastrous, and that multiplicity of banks, diversity of interests, and divergence of views precluded any possibility of voluntary agreement concerning the adoption of uniform, scientific, and adequate modern banking methods. That failure rendered necessary banking under Government regulation and, to a certain extent, in the Federal Reserve Act, even under compulsion. By many this method has been viewed with regret, but unfortunately there appeared no other possibility of success.

I believe it is safe to say that, in general, those laws have proved the best which put into legal form existing usages already recognized by actual experience as sound both in principle and practice. With us, it was impossible to use existing banking habits as the basis for our legislation. It was necessary to take those banking practices that had proved their worth in other countries and to adopt them as our model, with such adaptations as our own conditions rendered necessary.

It is a most difficult task, however, to remodel fundamentally the structure of a fully developed organization and to do it while the machinery is kept going at top speed. It is evident that it cannot be accomplished without some temporary inconvenience and that it must be done step by step. The tracks in the new depot of the New York Central Railroad in New York had to be moved many hundreds of times in order to keep the trains running while the larger basis of operation was being perfected.

I am profoundly convinced that the Federal Reserve Act will prove one of the most constructive contributions ever made by Congress, and that the further the system develops, the more apparent will this become.

PRESENT FEDERAL RESERVE ACT NOT A FINALITY, BUT

#### A BEGINNING

But, in expressing my unbounded confidence in the future of the system, I am fully conscious of the fact that, in its present form, it is not a finality, but a beginning. The tracks will have to be shifted many a time, and, as the fields opened by the new organization are developed, substantial changes in machinery will have to be made in order to cope with new demands.

Indeed, the Federal Reserve Act would prove a failure if these changes in the system did not become necessary from time to time. In this process of developing the new machinery to its fullest degree of usefulness, the bankers of the United States will have to play the most prominent part, and it is for this reason that I am particularly anxious that we all should reach a clear understanding about the future course of American banking, its hopes and its fears. Only if we take this more comprehensive view shall we be able to plan wisely—not for the morrow, not for single interests, but for the larger future and the benefit of all.

IMPORTANCE OF COOPERATION OF AMERICAN BANKERS ASSN.

I have no doubt that your Association is in harmony with these views and that, in cooperating along these lines, it will prove a most important and helpful factor in the simultaneous evolution of good banking practice and good banking legislation. The natural development will be that Congress will call upon the Federal Reserve Board more and more to act as an expert body in questions of banking—though, unfortunately, this does not mean that our advice will always be heeded. Our conferences with your committees will assist us in the future, as they have in the past, to do our duties fairly

in administering the Federal Reserve System, and in planning for its future growth.

#### THE REAL MEANING OF "RESERVES"

Let us try to review as briefly as possible the main features adopted from European banking, and to establish where we stopped half-way and what still remains to be done. Time will not permit me to cover each of the various phases involved, but it may be possible to deal fairly comprehensively with the topic of reserves, which, after all, is to many the most puzzling and to all the most vital question involved in the problem.

In 1910, I published a tentative plan entitled, "A United Reserve Bank of the United States." Later on, Senator Aldrich called the system that he proposed, "A National Reserve Association"; and finally the Owen-Glass committees devised the "Federal Reserve System," which was enacted into law. The word "reserve" has been embodied in all these varying names, and this is significant because the adoption of the principle of co-operative reserves is the characteristic feature of each of these plans.

"Monetary and banking reform" made its greatest step forward when public opinion recognized that it was not essentially a question of note issues but one of reserves. But, though this reserve problem has thus been before us for many years, it is a strange fact that there still exists a singular confusion in the minds of bankers, writers, and students as to what the word "reserve" actually means in this connection.

There are all kinds of reserves. There are military and naval reserves. We speak of reserves in dealing with water supply, with food, raw materials, rolling stock, electric power, and what not. In each case its meaning depends upon the requirements of the organization maintaining the reserve. Reserve is, as the name implies, what one holds back. It generally means an extra supply of something kept idle for the purpose of being immediately available to take care of an increased demand in excess of normal requirements. Now, if we wish to get a clear conception of the meaning of reserves in connection with the Federal Reserve System, we must understand that it is necessary to recognize central banks as entirely different organizations from the commercial banks and trust companies and, consequently, that their respective reserves differ as much as those of an ice factory and a summer hotel—the one a producer and the other a consumer of ice.

Reserves of central banks and reserves of the general stock banks are two entirely different things.

For the sake of greater simplicity, I shall in this address call the national banks, State banks and trust companies, the "stock banks" and their reserves "banking reserves," and I shall term the reserves of the central banks "gold reserves," leaving it open at this point whether or not these latter reserves should include silver and greenbacks.

The Federal Reserve System is a co-ordination of twelve central banks; and the same principle as to reserves, therefore, applies as if we were dealing with one central bank. I shall, therefore, in this address, class the Federal Reserve System with the central banks.

#### FUNCTIONS OF STOCK BANKS IN CENTRAL BANK COUNTRIES.

Let us consider first the functions of the stock banks in central bank countries.

Deposit banking is the art of wisely employing the depositors' stored up purchasing power. It is based on the principle that there is a sufficient variety of conditions amongst the depositors and borrowers of a bank so as normally to preclude the probability of the depositors' withdrawing and using their own money faster than it can be collected from the borrowers, to whom the depositors' purchasing power temporarily has been trans-



ferred. The bank's own capital and the uninvested part of its deposits from the insurance, or reserve, fund to act as an equalizer in balancing these scales. It is essentially a question of exchanging credits and, where there is a central banking machinery enabling the stock banks to liquidate a sufficient amount of their assets to make good any deficits that may occur, the whole system is safe and complete. The central banking organization provides the member banks either with balances to be used in the clearing, or, if currency should be required, with notes which will be accepted by their depositors in settlement of the stock bank's obligations.

In countries where these notes of the central banks are generally accepted in settlement of debts by business men and banks, the "banking reserves" of the stock banks may safely consist of the central bank currency, or of a balance kept with the central bank, convertible into such currency. These form the first line of banking reserves. The second line consists of those assets which, with certainty and promptness, may be converted into credit balances with the central bank. It is simply a question of having a reserve of such credit currency, or of power to produce such credit balances, as will provide an acceptable means of satisfying depositors.

Balances with the central bank, and its notes, entitle the stock banks, like any other holder, to payment in legal tender; and if legal tender is demanded by creditors of the stock banks, the latter must rely upon the central bank to furnish it. The duty to keep its own deposit and note obligation sufficiently protected by a proper proportion of metallic cover rests with the central bank, and its reserves, therefore, must consist exclusively of the metal in which its obligations are payable.

In central bank countries there does not exist any law that requires stock banks to keep in actual specie in their own vaults a certain proportion of their deposits. All the central bank usually requires is that the stock banks, and other firms, maintain with it free balances commensurate with the scope of their transactions. As a matter of fact, if we study the statements of European stock banks we find one single cash item which includes the combined holding of gold, silver, bank notes, and the balance with the central bank.

I still remember that when I had my initiation into banking in Europe, twenty-eight years ago, we never bothered much about our cash in vault. We never had more than we needed as till money. If we accumulated too much, we sent it to the central bank to be credited to our account. If we ran short, we sent over to the central bank and got what currency we required. The cash item was of very little interest to us, but we watched continually the balance with the central bank, and if our balance approached the prescribed minimum, we would strengthen it by sending over for discount some short paper maturing within five, ten or fifteen days—or, if demands were extraordinarily heavy and unexpected, we might have to send over paper of longer maturity. Or, at times, when the discount rate of the central bank was higher than the ruling rate of the stock banks, the latter would take our short paper—just as we would make short loans to them when we had surplus funds to lend. If conditions became such that the stock banks were crowded so that the central bank would notice that the maturities it was discounting were gradually becoming longer, the central bank would have to consider whether or not it was time for it to raise its rate. If the increased demand was due to seasonal requirements, the central bank would maintain its rate and go deeper into its reserves. If the central bank suspected that over-expansion or speculation, or gold exports of alarming proportions, were at the bottom of the increased inroads into its reserves, it would counter with an increase in its rate.

#### DIFFERENCE BETWEEN OLD AND NEW SYSTEMS IN THE UNITED STATES.

In the United States our old State banking systems did not provide for any central organization to protect the banks' gold obligations, nor did they furnish the machinery by which, in case of need, banks could convert their commercial assets into cash or credit balances. The National Bank Act, therefore, required every national bank to maintain against its deposits a certain percentage of actual lawful money reserve, which it was considered should constitute its contribution to the general gold protection of the nation; in addition, credit bank balances in Reserve and Central Reserve Cities were to provide a certain liquidity in case of emergencies. The vicious shortcomings of this old method are well known to everybody here, and need not be elaborated.

The Federal Reserve Act brought about a most radical change. It created a system of twelve central banks which, co-operating with one another, were from then on to exercise two important functions in relation to their member banks; first, to provide a sufficient gold cover for the country's gold obligations; and, second, to provide the machinery for turning, whenever desired, the member banks' commercial assets into available credit balances, or cash.

The first function relieved the member banks of the necessity of keeping in their vaults large amounts of gold for the general protection of the country; the second rendered unnecessary the so-called reserve balances with correspondents in Reserve and Central Reserve Cities. The safe and effectual transfer of these burdens to the Federal Reserve Banks must be predicted, however, upon a sufficient mobilization and concentration of gold in the hands of the Federal Reserve Banks, and, furthermore, upon the existence of a large volume of standardized commercial and banking paper, easily rediscountable without red tape with the Federal Reserve Banks. This is where the Federal Reserve Act stopped half way. It did not say to the member banks, "Maintain with the Federal Reserve Bank a minimum balance sufficient for the general safety of the country, and whatever cash you keep in excess of that in your own vaults—be that gold or silver or Federal Reserve notes—is your own concern. But bear in mind that the larger the gold fund produced by the combined contributions from your own vaults, the stronger will be the protection to you and the entire country." The law continued, instead, the anomaly of requiring member banks to lock up in their vaults hundreds of millions of dollars, thus preventing them by legal enactment from giving additional strength to their own protective system, even if they should want to do so. It further created the anomalous situation that, while a balance with a Federal Reserve Bank could be considered as reserve, the Federal Reserve note could not be so counted, despite the fact that it is a prior lien against the assets of the bank and is the obligation of the United States, while the balance is not.

This inconsistency—to a certain extent at least—has been cured; Congress having passed, upon the recommendation of the Board, a most important amendment authorizing the Board to permit member banks to keep any portion of their required vault reserve as balances with their Federal Reserve Banks. In passing this amendment, Congress has opened the path for great strides in advance, and it remains to be seen now, how far the bankers of the United States will be able to seize this opportunity of doubling the strength of their Federal Reserve Banks.

There has been a great deal of grumbling, particularly on the part of the country banks, to the effect that their reserve requirements are too heavy, and they have sometimes suggested that they be permitted to continue to count as reserve certain balances kept with their correspondent banks. If member banks' reserve requirements

should be found unnecessarily heavy, let us reduce them outright; but do not let us continue the confusion of counting as reserve what—by plain reasoning—should not be called or treated as a reserve. Let us, in our plans for the future, try to look at the problem as a simple question of keeping a sufficient balance with the Federal Reserve Bank, and when that is maintained, leave it to the member bank to keep liquid and strong in its own way. Do not let us apply the term reserve to a balance with another member bank, which may be invested in securities or loaned on the stock exchange; nor let us count as reserve checks in process of collection, and yet, at the same time, treat Federal Reserve notes as an asset that cannot be counted as a banking reserve.

#### CAN WE MEET POST-BELLUM DEMANDS.

In dealing with the problem of adequate reserves, we must first and always consider the question of whether or not our Federal Reserve Banks are sufficiently strong for the protection of the country or whether they are stronger than necessary. Whenever the latter question can be answered in the affirmative, then only will we be justified in considering the advisability of reducing the member banks' reserve requirements.

What is the Federal Reserve System's lending power today? If we set aside a gold reserve of only 40 per cent.—which may do in times of stress, but is not a proper and sufficient basis in normal times—we find that we have a free gold reserve of about \$206,000,000\* or, if we include the gold now held in cold storage by the Federal Reserve Agents, about \$380,000,000. This means that, by additional rediscount operations, or purchases in the open market, for home requirements or for export, we are able to stand a loss of gold of from two to three hundred million dollars. \$200,000,000 is a very large amount, but when we realize that the Nation's gold holding in one year has increased by about \$500,000,000, it is well for us to consider whether or not we shall be able to hold this gold at the end of the war. It is impossible to predict what will then be our economic and financial situation. Perhaps we may find ourselves in an over-expanded or generally unsatisfactory condition, and we may have to face a readjustment in which all our banking strength may be required. On the other hand, things may go well with us, but in the rest of the world there may be a great deal of financial distress.

\* Present lending power of the Federal Reserve Banks (September 1, 1916).

Net deposits (Govt. & bank deposits)		
less float.....	\$500,008,000	
35 per cent. thereof.....		175,003,000
Note liability.....	20,890,000	
40 per cent. thereof.....		8,356,000
Total required reserve against deposit and note liabilities.....		\$183,359,000
Total cash reserve.....	365,376,000	
Cash equivalent of E. R. notes on hand..	24,084,000	389,460,000
Additional lending power of F. R. banks if loans are taken in lawful money.....		\$206,101,000
Additional lending power if loans are taken in F. R. notes.....		\$515,252,500

In that case (and it may be the more likely of the two) we shall have almost boundless opportunities, but serious obligations as well. Foreign loans in the old and the new world may draw away our capital at interest rates far in excess of our own. Our exporters will have to meet the keen competition of other nations, and even though at first there will probably be a strong demand for certain of our raw materials, the purchasing power of many a country will be found materially reduced. These are conditions which, in the long run, may be the cause of heavy gold exports from the United States and which, if we remain unprepared, may seriously check

our progress. If, on the other hand, we forearm, we may grasp the opportunity of taking our place as the strongest of the world's bankers and furnish our industries with the basis for a solid expansion.

#### AMOUNT OF FREE GOLD MOBILIZED RIDICULOUSLY SMALL.

Does it not appear ridiculous that a country owning over two billions and a half of gold should not be able to mobilize a larger free gold reserve than two or three hundred millions of dollars, particularly when it is apparent that its future financial and economic growth will depend upon the extent of the "preparedness" that it can provide in this respect?

During the critical period following the outbreak of the war in 1914, there were issued \$386,000,000 of currency under the so-called Aldrich-Vreeland Act. Has it occurred to you that if a similar amount were needed under the Federal Reserve Act it would absorb a gold reserve, on a 40 per cent. basis, of \$154,000,000? But financial history has shown that each crisis develops larger demands than its predecessor, and, with our constantly growing pyramid of deposits and loans, and with the gigantic scale upon which financial transactions are now conducted, it is our duty to be prepared for ever larger demands. The fact that we are strongly forearmed, far beyond a limit expected to be actually reached, will be the only means of restraining these demands to safe and reasonable bounds. We ought to be able, therefore, to lose \$300,000,000 to \$500,000,000 and still have \$200,000,000 or \$300,000,000 of free gold to serve as a basis for emergency operations.

I cannot urge you too strongly, therefore, to co-operate to the utmost of your abilities in keeping your balances with the Federal Reserve Banks high, and your vault money down to the minimum that your own till requirements will safely and conveniently permit. It is obvious that, in strengthening the Federal Reserve Banks, you are strengthening yourselves.

If a country bank with \$25,000 in capital and \$150,000 in deposits keeps in its vaults \$5,000 or \$10,000 of gold, does it expect that, in case of a national emergency, it could protect itself with that amount of legal tender in the event the Federal Reserve Banks stopped paying in gold or stopped rediscounting? If a country bank's depositors want cash, they will be perfectly satisfied to take Federal Reserve notes. But the power to furnish these notes, or credit, is limited by the amount of gold held by the Federal Reserve Banks. While the \$5,000 gold in vault of the member bank will not, therefore, protect it, the specie and legal tender notes held by all of them collectively (about \$770,000,000) can be made to form the strongest possible bulwark of protection for all if deposited in the Federal Reserve Banks.

But you may ask me how is it that in Europe central banks control these vast amounts of gold while the deposit balances maintained by the stock banks are comparatively small, and why then should it be necessary for the American member banks to keep such large deposit balances? This is, again, because we have stopped half way. The Bank of England issues notes only against gold. The other leading central banks of Europe issue notes against gold (in certain countries gold and silver) and commercial paper. There may be 100 per cent. gold, but there may not be less than a prescribed minimum gold reserve. But they do not provide that notes may *not* be issued against gold without a certain reserve of commercial paper. That theory—which makes all Europe laugh at us—is, however, the one underlying the Federal Reserve Act. The Board urged Congress to remedy the law in this respect. The Senate responded favorably by passing a bill on these lines, but, unfortunately, it was lost in conference.



# EUROPE'S SUCCESSFUL EXPERIENCE NOT TO BE ARBITRARILY CONDEMNED BY US.

It is hard to comprehend why, if this principle has been universally and successfully adopted by the leading central banks, and has been the root of their surprising strength during the last two years of terrific strain, it should be arbitrarily condemned or disregarded by us. Let us examine the statements of some of these central banks as they appeared before the war:

*Metallic Reserves of the Principal Central Banks of Europe\* at the end of the calendar year 1913, and the percentage of their demand liabilities which were represented by notes in circulation and deposits.*

	METALLIC RESERVES.	DEMAND LIABILITIES.					
		Notes in		Public		Private	
		Millions of Dollars.	Circulation.	Deposits.	Deposits.	Deposits.	Deposits.
		Mill Per	Mill Per	Mill Per	Mill Per	Mill Per	Mill Per
		doll. cent.	doll. cent.	doll. cent.	doll. cent.	doll. cent.	doll. cent.
Bank of France.....	800	1165	85	63	5	142	10
Reichsbank .....	344	617	77	..	..	..	..
Russian State Bank.	818	857	57	490	33	142	10
Austro-Hungarian Bank .....	305	506	93	..	..	..	..
Bank of Italy.....	233	417	75	40	7	98	18
Bank of Netherlands	64	134	99	..	..	2	1
Nat. Bank of Belgium	59	203	91	3	1	17	8
Swiss National Bank.	37	61	84	..	..	..	..
Federal Reserve Banks							
September 1, 1916.	365	14	3	51	9	485	88

It is evident from these statistics that the United States are following a course diametrically opposed to that of all other central banks. While our central gold reserve, disregarding capital, is made up 97 per cent. from deposits and 3 per cent. from note issue, the statement of the Bank of the Netherlands shows that it obtained 99 per cent. of its metal from circulation and 1 per cent. from deposits. This is the most extreme case, but the table speaks for itself in showing that, with the exception of Russia, where public deposits (for reasons which it would lead too far to explain here) are extraordinarily large, the important European central banks secure their gold reserve from circulation to an extent varying between 75 and 99 per cent.

It may be worth our while to analyze further what would be the effect of permitting Federal Reserve Banks to issue notes in exchange for gold in the manner recommended to Congress by the Federal Reserve Board.

## EXCHANGE OF FEDERAL RESERVE NOTES FOR GOLD CERTIFICATES WOULD AFFORD PROTECTION.

If we added \$500,000,000 to the Federal Reserve Bank's gold holdings by withdrawing gold certificates from circulation and issued against this gold \$500,000,000 of Federal Reserve notes, the exchange in itself would not alter the volume of the country's total circulation. But our power of protection would be increased. If, after such exchange, member banks rediscounted with Federal Reserve Banks \$300,000,000 of paper and shipped \$300,000,000 of gold to Europe out of the credit balances thus secured, the Federal Reserve Banks' balance sheet would show against these transactions:

\* I have not included the Bank of England, because its organization does not provide for so-called elastic note issue, and because, during the recent critical period, it proved anew its inferiority in this respect as compared with modern central banks like the Banque de France and the Reichsbank. Owing to the rigidity of the structure of the Bank of England, that country could not promptly meet the first pressure following the beginning of the war. There was an inelastic and insufficient note issuing power and the consequence was that a situation developed in which the Government credit had to be thrown into the scales to a much larger extent than with any other nation. The British Government had to guarantee acceptances, discounts, and stock exchange loans to an almost unlimited degree; it had to issue, in August, 1914, £37,603,000 of small notes to provide the needed currency. I believe it is safe to say that the moratorium and the great inconveniences and losses inflicted upon England's debtor nations might have been avoided if the organization of the Bank of England had been more modern and possessed of greater elasticity. England's unparalleled power as the world's creditor nation, which was brought into play with marvelous boldness and ingenuity, saved the day for Great Britain and overcame the Bank of England's organic weakness, which, with any other nation, might have proved fatal.

Gold, \$200,000,000	Notes outstanding.
300,000,000	\$500,000,000
	Rediscount against gold shipped.
\$500,000,000	\$500,000,000

So that the mere exchange would have enabled us to bear a loss of \$300,000,000 of gold which otherwise might have affected seriously our financial situation. This argument is based upon the theory that possibly \$700,000,000 to \$750,000,000 of gold certificates and gold, in addition to other kinds of currency, are at present carried in the pockets of the people and in business tills where Federal Reserve notes would serve equally well. The obligation of the United States, secured by all the assets of the Federal Reserve Banks and a large cover of gold, would remain a trusted medium of exchange unless indeed the credit of the United States went to pieces. Experience has shown that a large and constant volume of notes remains outstanding at all times and that, during a crisis, the amount rather increases than decreases. It is certain, therefore, that a very large sum of gold could be permanently withdrawn from circulation, and that, as in Europe, the bank note circulation would take its place. Against this well recognized practice, the hue and cry of inflation has been raised. It is hard to see why a process that spells "elasticity" in France, Germany, Holland, Belgium, Austria, Italy, Sweden, Norway, Russia, Switzerland, and other countries, should spell "inflation" with us. Elasticity without restraint may lead to inflation. But elasticity well regulated by rigid supervision and definite requirements of gold cover, elasticity subject to widest publicity and constant ruthless scrutiny, may be trusted not to go very far astray.

As I said the other day, if you need police protection, you must not deny the policeman the right to carry a modern revolver for fear that he might shoot the wrong man. If the Federal Reserve Banks and the Board wanted to run amuck, their present powers are sufficiently large to enable them to do harm. Their ability to do mischief would hardly be increased by the added power, but their ability to protect would grow immeasurably.

## OPPORTUNITY OF CONSERVING \$600,000,000 GOLD IMPORTS LOST.

Since the Federal Reserve Bank opened, there has come into the United States from abroad over \$600,000,000 gold. This stream of gold should have benefited the Federal Reserve Banks. They should have impounded the gold and issued their Federal Reserve notes against it. As it is, they have lost this unique opportunity of gaining additional strength; they have had to stand by idly and let the gold flow into the member banks or go into circulation. Let us throw the searchlight on this bogey that procuring additional gold by note issue is dangerous, while to obtain it by additional member bank deposits is safe. This will best be accomplished by taking our present combined statement and adding \$500,000,000 gold obtained by additional deposits, or, as an alternative, adding \$500,000,000 obtained by issuing notes in exchange for a like amount of gold, and then comparing the results:

ALTERNATIVE "A"		Millions of dollars.	
Assets:	of dollars.	Liabilities:	of dollars.
Cash reserve 365 plus 500	865	Capital .....	55
Earning assets.....	182	Government deposits....	51
All other assets.....	60	Bank deposits 485 plus	
		500 .....	985
		Note liability.....	14
		Other liability.....	2
	1107		1107
Reserve, 35% on 1036...	363		
40% on 14...	6		
	369		
Cash .....	865		
Free gold.....	496	purchasing power.	
	1240	note issuing power.	

ALTERNATIVE "B"		Liabilities:	
Assets:		In case law permitted issue of F. R. notes against gold or paper, or both, as proposed by Federal Reserve Board.	
	Millions of dollars.		Millions of dollars.
Cash reserve 365 plus 500.	865	Capital .....	55
Earning assets.....	182	Government deposits....	51
All other assets.....	60	Bank deposits.....	485
		Note liability 14 plus 500 .....	514
		Other liability.....	2
	1107		1107
Reserve, 35% on 536...	188		
40% on 514...	206		
	394		
Cash .....	865		
	471 purchasing power.		
	1178 note issuing power.		

#### "INFLATION" ARGUMENTS ANSWERED

It follows from this illustration that the increase in power "to inflate" is smaller if the added power is obtained by note issue than by deposits. Unwillingness to grant an increase of power cannot be accepted, therefore, as the motive of a Congress which encouraged increase of power by authorizing larger member bank balances. There must be, therefore, another reason. Our critics say: "The theory of the Federal Reserve Act was to issue Federal Reserve notes which were to be redeemed at once when the underlying commercial transaction has been completed, and that, by making Federal Reserve notes reserve money, or by issuing them in exchange for gold, the note would not be presented promptly for redemption." But have these critics considered that an individual note is never elastic, that it is only the aggregate of notes outstanding, the volume of the entire circulation, which fluctuates and is being made elastic? The degree of this elasticity is controlled by the aggregate of investments made by the Federal Reserve Banks. Whenever the Federal Reserve Banks collect their investments at maturity and do not reinvest, they are paid in their own notes, or in lawful money. The result in both cases is the redemption of their notes. In the latter case the Federal Reserve notes remain in circulation but the lawful money takes the place of the maturing paper as cover for the Federal Reserve notes and reduces the volume of outstanding circulation to its level before the Federal Reserve Bank made its investment. As long as the Federal Reserve notes remain outstanding an equivalent of lawful money is withdrawn from circulation.\*

Let us take an extreme case to make our point clear: If we suppose that we had issued two billion dollars of Federal Reserve notes against gold and then, in addition, issued two hundred million dollars of Federal Reserve notes against commercial paper, there would be two billion, two hundred million dollars of Federal Reserve notes outstanding, against which there would be about 90 per cent. of gold cover and 10 per cent. of paper. If the makers of the two hundred millions of commercial

paper paid it at maturity with the two hundred millions of Federal Reserve notes the status quo ante would clearly be re-established. But it would be just as clearly re-established if the makers of the two hundred millions of commercial paper paid it in gold. Then we should have two billion, two hundred million of Federal Reserve notes outstanding, against which the bank would hold two billion, two hundred millions of gold. It would simply mean that two hundred millions of gold formerly in circulation, and possibly much worn by use, had been replaced by an equal amount of new and clean Federal Reserve notes. In other words, the two hundred millions are redeemed in both cases, no matter whether the specific Federal Reserve note is resting in a vault in Oshkosh or is being carried around in the pocket of a farmer in Texas. Whenever the Federal Reserve Banks collect their paper their notes are in effect redeemed—no matter where or how they are being held. But, under the proposed amendment, instead of having a circulation of which, let us say, 90 per cent. is entirely secured by gold and 10 per cent. is secured by commercial paper with a 40 per cent. gold reserve, we would have all such outstanding notes secured by about 90 per cent. of gold and 10 per cent. of paper; and if the method I am describing prevailed, the Federal Reserve Banks could keep their normal reserves much higher than under the present system. If this method were adopted, I for one should be in favor of beginning to tax Federal Reserve notes at a higher point than at present—let us say whenever the reserve went below 60 per cent. instead of 40 per cent. This would probably satisfy the fearful minds which apprehend that the increased power might be abused, but it would not prevent the country from securing the greater protective power to which it is entitled.

It will be said that the gold that actually circulated in France and Germany at the beginning of the war proved a most valuable second line of emergency reserve. That is true and a similar reserve would undoubtedly remain with us, because even if the full program here outlined were realized, we should succeed in concentrating a certain portion only of all our gold. But it has been estimated that the central banks of France and Germany controlled before 1914 about two to three times as much gold as was drawn into their vaults from circulation during the war, while we have only one-fifth of our gold under control and four times that much, that is, two billions, scattered in circulation and in the stock banks. Moreover, there never was before in the world a period of inflation such as in now in process in Europe, and the adjustment after the war will create the keenest competition for the yellow metal.

Our critics say that, by concentrating the gold in the Federal Reserve Banks, we shall make them the target for gold withdrawals. But they will be that target anyhow. The only question is will they be able to resist without being forced to take premature and unnecessarily drastic measures of defence. Let us suppose that our member banks' excess cash reserves have been wiped out, either by gold export or by expansion of the loan and deposit structure; let us suppose that our discount and investment rates are fairly low as compared with those prevailing in Europe; let us suppose that our shipments to foreign countries will no longer exceed our imports. Then, as money flows where it can safely earn the highest returns, our bankers will probably have to finance foreign countries both in government loans and individual transactions. Suppose then that Mr. Ivanoff, in Petrograd, draws \$100,000 at 90 days' sight on an American banker against a credit granted to him, rediscounts that paper in New York, and, against this balance, Russia wants gold. Where will it come from? The member banks have no more excess reserves; shall we *then* begin to withdraw it from circulation and how and against what? The New York member bank will rediscount \$100,000 of bankers'

\* Some of our critics strenuously object to the comparatively small accumulation of gold in the hands of the Federal Reserve Agents as brought about under present circuitous and very cumbersome methods of partially accomplishing the results sought by the proposed amendment. It appears difficult to make these writers see that an exchange par for par of a \$10 Federal Reserve note for a \$10 gold certificate is not increase of circulation, but a substitution of one note for the other. As long as the gold remains with the Federal Reserve Agent, the Federal Reserve note is, in effect, a gold certificate; with this difference only, that its holder has agreed in advance, in case the Federal Reserve Banks should be called upon to rediscount heavily, to change his gold secured Federal Reserve note into one secured by commercial paper with a gold reserve of not less than 40%. Instead of remaining limited by the free gold secured from member bank balances, the Federal Reserve Banks are trying to build up a further gold reserve from noteholders willing to trust Uncle Sam, whether he gives them his promise to pay in the form of a gold certificate, silver certificate, greenback, or Federal Reserve note. It is needless to add that, in thus strengthening themselves the Federal Reserve Banks are acting well within the powers given them by the Act.



acceptances or commercial paper with its Federal Reserve Bank and ask for gold. Ultimately, therefore, the demand for gold will be made upon the Federal Reserve Banks. We are faced with the simple question: will we be strong enough to share our plenty, during the coming period of stress, with other nations and be the world's banker, or will we be so weak that, when these demands come, we must stop them at once by raising our discount rates high enough to retain our gold at home? Keep all the gold in your vaults, gentlemen, where it is useless for yourselves and deprived of the additional force that it may gain in the hands of the Federal Reserve Banks; keep every cash-till in hotels, railroad stations, drygoods stores, and what not, filled with gold certificates, and you will rob the country of its legitimate opportunity of growth, of helping itself, and of helping the world. Our foreign competitors will proclaim that only a country willing to part freely with its gold may safely be accepted as a world's banker, and they will point to the fact that, in past critical periods, our banks stopped paying in gold. It is our duty to give to the world an overwhelming evidence of our ability and determination in the future to maintain our gold obligations under any and all circumstances.

#### ACCUMULATION OF GOLD NECESSARY FOR ULTIMATE DIMINUTION OF BOND-SECURED CURRENCY.

The vast accumulation of gold in the hands of the Federal Reserve Banks which I am urging, is of great moment in its bearing upon the future of the national bank currency. The objects contemplated in this respect by the Federal Reserve Act are highly to be commended; but carrying this scheme into effect is subject to too many delays. More comprehensive action from the beginning would have brought about better results. The ultimate aim which we must have in mind is the conversion of a large portion of the 2 per cent. Government bonds, now securing circulation, into new 3 per cent. bonds, a substantial portion of which will gradually be absorbed by the people. This would have the consequence of reducing the amount of national bank circulation, so that, at a given point, whatever 2 per cent. bonds the Federal Reserve Banks acquired would ultimately be carried by Federal Reserve note circulation and this, in turn, would be of material assistance to the Federal Reserve Banks in earning their dividends. As the absorption of the 3 per cent. bonds by the public proceeded, and as the growing acceptance market offered a wider field of investment for the Federal Reserve Banks, Federal Reserve notes would take the place of Federal Reserve Bank notes, bankers' acceptances and commercial paper would take the place of Government bonds, and an elastic and live currency would replace the present inelastic Government bond secured currency.

In order to carry out this process, however, it will be necessary normally to maintain against Federal Reserve notes at least the 40 per cent. reserve required by law, as against the 5 per cent. of reserve now required against national bank notes. And this, again, is an added reason for facilitating the concentration of gold in the Federal Reserve Banks, so that they may be strong enough to sustain this large volume of circulation on the higher reserve basis.

The larger powers which we should enjoy would not, therefore, be employed to inflate circulation. On the contrary, as a net result, it would be used for the purpose of building up a circulation covered by a far stronger gold reserve than that of the national bank notes.

Until the volume of the latter has been materially reduced, and until Federal Reserve notes may be accepted as reserve money by the member banks, the lending power of the Federal Reserve Banks will remain hampered.

#### FEDERAL RESERVE BANKS HAVE NOT INCREASED VOLUME OF CIRCULATION.

In spite of all that has been said by superficial critics about inflation caused by the issue of Federal Reserve notes, the Federal Reserve Banks combined, as a net result, have added to the circulation of the country no more than \$14,000,000 of Federal Reserve notes.\* All the rest has in effect been redeemed by depositing gold. In Federal Reserve Bank notes, as a net result, there have been placed in circulation less than \$2,000,000, while \$55,000,000 Government bonds have been purchased from member banks and national bank circulation has been reduced by about \$50,000,000. We certainly have not inflated there!

It has been said by some critics that Federal Reserve Banks should not, under any circumstances, issue Federal Reserve Bank notes. There is no doubt that the national bank note circulation is an objectionable feature in our monetary system, but the fact remains that the country is accustomed and adjusted to a certain volume of currency, and we could not eliminate about \$700,000,000 of it without putting something in its stead. It is most important that the process of filling demands for currency by issuing national bank notes should stop, and that, by a gradual reduction of the outstanding volume, a vacuum be created for Federal Reserve note circulation. But, pending this process of gradual substitution—that is, the process of purchasing Government bonds from member banks, conversion into 3 per cent. bonds and one-year notes, sale to the public of 3 per cent. bonds, and reinvestment of the proceeds in commercial or banking paper—there will be an interregnum when Federal Reserve Bank notes must be issued temporarily, until there is available a sufficient amount of paper to take the place of Government bonds, a sufficient absorption of these bonds by the public, and a sufficient strength in gold reserves.

Let us bear in mind that Federal Reserve Bank circulation is not added circulation, but a partial substitution of new notes for redeemed old national bank circulation, and that, when issued by Federal Reserve Banks, it will have a certain degree of elasticity, because it will be issued from time to time only in harmony with the general policy of the Federal Reserve Banks and not kept out perpetually for the sake of the profit involved, as now done by the national banks.

#### HOW THE PRESENT LAW DISSIPATES FEDERAL RESERVE BANKS' GOLD HOLDINGS.

The Federal Reserve Banks have made investments aggregating at present about \$180,000,000, and have outstanding a net circulation of about \$16,000,000. That means that for \$164,000,000 of investments they have paid gold and thereby have reduced their reserve power to that extent.

If they could have paid in Federal Reserve notes instead of gold, as they should have been permitted to do, they would have wasted only 40 per cent. of this amount and would have retained the balance, this is, about 100 millions, as a potential reserve for additional note issue. As stated before, it does not necessarily follow that Federal Reserve Banks would have made larger investments at this time; it is not at all likely that they would have done so. But emphasis must be laid upon the resulting reduction of their power to assist the country in an emergency.

The argument is used that if Federal Reserve notes had been paid out and could have been counted as reserve-money by the stock banks, these notes would have

\* If we bear in mind that on September 1, 1916, the Federal Reserve Banks had on hand a total of about \$24,000,000 Federal Reserve notes, we must admit that, as a net result of their issue activities, the volume of the country's circulation has not expanded but has been actually contracted to the extent of over \$6,000,000.

gone into the vaults of the member banks as reserve money, and caused a further expansion of loans. But we must not forget that the same result has followed by the Federal Reserve Banks paying out gold. As far as the member banks are concerned, the effect is the same whether they receive \$164,000,000 in gold or in Federal Reserve notes which may be counted as gold. But the difference is, as we have stated, that, under the present system, the lending power of the Federal Reserve System is being impaired too fast.

Federal Reserve notes "shall be obligations of the United States and shall be receivable by all national and member banks and the Federal Reserve Banks and for all taxes, customs and public dues. They shall be redeemed in gold at the Treasury," etc.

Did we not stop half-way when we provided that banks are thus to receive Federal Reserve notes in payment of debts between each other, and from their depositors, but cannot count them as reserve for the purpose of discharging their deposit liabilities? As a consequence, banks when settling with each other through the clearing do not accept Federal Reserve notes but must settle with lawful reserve money—that is, substantially in gold. If, however, a bank settled directly with another bank it could pay in Federal Reserve notes and the payee bank could then send the Federal Reserve notes to its Federal Reserve Bank, create a balance and then count that as reserve.

It is fortunate that the new amendment will permit member banks to carry any part of their required vault reserve as a balance with the Federal Reserve Bank and to count it as reserve. It is hoped that this will cause member banks promptly to adopt the habit of settling their balances with each other by transfer of credit through their Federal Reserve Banks, thereby releasing gold needlessly tied up in clearing operations and in their vaults and remedying, to a certain extent at least, these anomalous conditions.

#### MUST RID THE COUNTRY OF CONFUSING MULTIPLICITY OF CURRENCY.

In dealing with this question of reserves and note issue, it is proper and necessary that we proceed step by step. Splendid progress has been made in these last two years, and we realize, of course, that the tracks must be shifted many a time before we can reach our final goal. But we must be clear about this ultimate aim and we must recognize the absolute necessity of taking certain consecutive steps before monetary and banking reform will be complete.

Ultimately we must rid our country of the confusing multiplicity of currency with which we are now afflicted, and the Treasury will have to stop issuing small denomination gold certificates. The circulating currency of the country ought to be silver certificates in the small denominations, and Federal Reserve notes. The best place for gold and gold certificates will be in the Federal Reserve Banks. The national bank currency ought to be systematically withdrawn, and the greenbacks ought to be gradually turned into gold certificates as the missing gold cover from time to time is produced by the excess profits to be received from the Federal Reserve Banks or by some more rapid process that the future may evolve. While this process is taking its course, I think we are fully justified in permitting the Federal Reserve Banks to count greenbacks as part of their metallic reserve. It is freely admitted that this is not absolutely good banking theory. But, with the \$153,000,000 gold behind these notes and the power given to the United States to provide the additional gold cover by a sale of Government bonds, we may be warranted in temporizing and not making an over-rigid discrimination.

One cannot deal with the future of our Federal Reserve System and our reserve problem without being

puzzled by the question, what will be the coming standard of differentiation between Central Reserve Cities, Reserve Cities and country bank places when, after November 16, 1917, balances with correspondent banks will no longer count as reserve. I cannot undertake to discuss that problem today, but I think it is timely to point to this phase and invite you to give it your most careful consideration. The time is not distant when we shall have to deal with this conundrum and we shall welcome—indeed, we shall need—your very best thoughts in the matter.

The Federal Reserve System is the beginning of an imposing structure to be erected upon a broad foundation. It will prove a costly edifice unless it is developed to its full growth along these broad lines. Member banks and the country at large have a very vital and obvious interest in this, and they may well insist that there be no stopping half-way or haphazard additions or little patch work here and there.

The banks and the country are now entitled to enjoy, and will soon require, the strongest possible system, and the further it progresses, the more the concentration of gold in the Federal Reserve Banks proceeds, the further the discount market develops and the further grows the habit of banks, large and small, to invest in bankers' and trade acceptances, the less will it be necessary for them to keep unduly large sums locked up in their vaults, and the easier will it be for Federal Reserve Banks to return a portion of their paid-in capital. The roads to reduced reserve and capital requirements lie in these directions.

If member banks are to rely for their protection primarily upon their ability to create balances with their Federal Reserve Banks, they must be certain that they have in their possession an easy means of approach, a reliable key that will open for them the door leading to the Federal Reserve Banks' vaults.

#### AMENDMENTS TO THE LAW OF GREAT IMPORTANCE.

The amendments just passed by Congress are of great importance in this respect. Domestic acceptances will prove not only an efficient means of directing idle funds to districts where they may be profitably employed, thus working towards greater equalization of interest rates—but the increased supply of eligible banking paper will render much more easily accessible the credit facilities of the Federal Reserve Banks.

I do not think that I should dwell here on what I said to the New York State banking institutions at Atlantic City a few months ago. Let me only state again that I consider it the duty and, at the same time, the best self-interest of strong State banks and trust companies to join the system and contribute their share to the gold reserve fund that is being accumulated for the protection and progress of the United States. We have liberalized to the utmost of our ability the conditions under which these institutions may enter and be members of the System. They may join with all their banking power practically undiminished. It has been the aim of the Board to bring about a basis of parity between State banks and national banks—not by needlessly tying the hands of the State institutions, but rather by unshackling the hands of the national banks where they are needlessly tied.

The amendment recommended by the Board, most of which have now become law, such as power by ownership of certain bank stocks to operate in foreign countries, to accept drafts for domestic transactions, and for certain classes of finance drafts for the promotion of our foreign banking, to make loans on mortgages, etc., are evidences of the Board's policy in this respect. In the same spirit, the Board hopes that national banks will be granted the power to operate branches in cities where State laws do not prohibit State banking institutions from operating similar branches. Some banks have raised a cry of alarm and have severely arraigned us for appearing to



foster a branch banking monopoly apt to crowd out the small bank. But where State banks and trust companies enjoy the right to operate branches (in New York City alone there are over 100 branches of such institutions) small banks are already subject to the competition of these State bank and trust company branches. National bank branches would, therefore, hardly add to the alleged discomfort of the small banks, while it appears unfair to deny this right to national banks where their competitors, the State institutions, freely exercise it.

#### CANADIAN OR EUROPEAN BRANCH BANK SYSTEM INADVISABLE HERE.

I do not believe that we should adopt the Canadian or European branch banking system. It contains elements of excessive centralization that, with the American spirit of aggressive fight for supremacy and control, would lead to unsound and undesirable conditions. But, restricted to city lines—where State laws permit—branch banking would not justify an outburst of hysterical fear of the octopus. It would rather give an opportunity to the smaller and weaker banks to combine. It would thus enable them more effectively to meet the competition of their more powerful neighbors, to make better profits and to give better facilities to the customers they serve.

#### DUTY OF STATE INSTITUTIONS TO JOIN FEDERAL RESERVE SYSTEM.

Self-respect and public opinion will not permit the State institutions long to remain in the position of shirking their duty towards the nation and the State banks, at the expense of the national banks, and to the detriment of the entire country, cannot afford to refuse to bear their fair share of the burden, nor can they afford to be deprived of their fair share of the advantages.

I do not deny that, for some State institutions, particularly those that have private bankers on their boards, it may prove a hardship to lose some valuable directors, and that free balances with Federal Reserve Banks mean some loss of interest for most of these potential State member banks. But if that is the price to be paid for a system which is to insure the banks and the industries of the country against the horrors of some of the panics of the past and which will give us the possibility of future growth in relative safety under a modern system of mutual protection—then these sacrifices ought to be borne cheerfully by everybody as, indeed, being none too onerous.

#### SUGGESTIONS FOR ELIMINATION OF HARMFUL AND UNNECESSARY RESTRICTIONS IN OPERATIONS OF NATIONAL BANKS.

While thus I do not hesitate to confess freely that there are certain necessary inconveniences that have to be borne for the general good, I hold with equal emphasis that it is our duty to remove the unnecessary shackles that hamper and inconvenience the banks of our country more than those of any other nation in the world. My vision of the future would be very unsatisfactory indeed if it did not permit me to hope for the reversing of many an antiquated ruling, court decision, or law, which needs overhauling. Indeed, I see herein one of the most fruitful fields for the study and activity of the Federal Reserve Board.

It would lead too far at this time to do more than barely epitomize these thoughts. If banking in Europe is being carried on largely by cash advances on deposit account, why should it be unlawful with us to grant such overdrafts to business concerns? Do you realize that all rulings in this respect have been based mainly upon a court decision rendered in 1828, involving a construction of the powers of a bank operating under a charter granted by Congress in 1812, about 50 years prior to the passage of the National Bank Act?

Let me ask you further: Why should it be unlawful to charge interest in excess of 6 per cent.? The present discount rate of the Bank of England is 6 per cent. and large corporations and firms in that country no doubt pay more than 6 per cent. for their present credit facilities without the stigma of usury attaching to the British banks charging the higher rates. When money generally is worth 3 per cent. a charge of 5 per cent. may be excessive; but when money is generally worth 6 per cent., a charge of 7 per cent. should not be considered usury. I strongly believe in the protection of the public against extortionate rates, and to stabilize rates as far as practicable on a moderate basis is one of the chief aims and objects of the Federal Reserve Act. But we should have reasonable laws, laws recognizing the fluctuating value of money, like that of any other commodity, and recognizing that usury exists only where there is a question of extortion—where the borrower finds himself in a helpless condition. But where strong and solvent concerns, of their own free will, contract for loans, there can be no question of usury. We should modernize our laws in this respect.

Why should national banks be prevented from taking commissions? In Europe the commission account of banks is the one to which they point with the greatest pride. Any bank may execute orders for the investment of funds. I cannot see why the investment of depositors' funds should not be a proper function of banks.

We have discussed the structure of the Federal Reserve System—the foundation, and the building we expect to see erected upon it. Now the final question,—who shall be the master of the house? Shall it be business or politics or a neutral non-business and non-partisan, judicial administration? I have no doubt that the country wants the latter, and I am delighted to say that the character of the Reserve Board and of the administration of the Reserve Banks is of that nature today. But if we want to be certain of the future, I believe that nothing should be left undone that will insure the greatest independence of the Board and will thus make the positions of members of the Board such that, in coming generations, these offices will be coveted by men of worth like seats on the Supreme Bench of the United States. The safety of the country and the confidence that the Federal Reserve System will enjoy are dependent upon the character and the ability of the men charged with its administration. If a safe future is to be assured to the System, the Act must be perfected where it stopped half-way in this respect. Of course, there must be at all times intimate relations between the Treasury and the Federal Reserve Board and co-operation in broad questions of national policy, but there must be only one banking and discount policy and not the possibility of two. The law should provide that the administration of the Treasury funds within the Federal Reserve System should be subject to some control by the Board, and emergency relief operations ought to be carried out through the Federal Reserve Banks and not directly through deposits with member banks by the Treasury.

#### ADJUSTMENT OF RELATIONS BETWEEN RESERVE BOARD AND THE TREASURY NECESSARY.

The business and banking community should feel certain that the adjustment between Treasury and member banks will take place at all times in a natural, well-regulated manner, in keeping with the general banking policy adopted by the Federal Reserve Board and the Federal Reserve Banks. If at certain periods large payments are to be made by the member banks to the Treasury, there should be an easy adjustment by having the money withdrawn operate to strengthen the Federal Reserve System, leaving it to the Board and the Federal Reserve Banks, by rediscounting short paper, to return to the member banks sufficient funds to re-establish the

equilibrium. But this important function of balancing the scales ought to be the constant care of the Board, under a consistent plan of operation, and not the domain of the changing and arbitrary policies and views of each succeeding Secretary of the Treasury. That was the original plan of the Glass bill; unfortunately it was changed in conference. It is much to be hoped that a return may be made very soon in the direction of the original project so that the danger be removed that at some future time Federal Reserve Banks or member banks may ask and secure Treasury deposits without consultation with, and even in opposition to, the wishes and policy of the Federal Reserve Board.

In a similar way, the Board's authority and efficiency ought to be strengthened by providing that examinations and rulings by the Comptroller's office, and the compilation of banking statistics should be carried on under the auspices of the Board. However, the present members may have been able, by personal effort, to meet the organic defects of the law—the fact remains that as it stands today, it places the Board half way between independence and dependence. It cannot remain long in that position. Evolution will carry it either in one direction or the other. The country will have to decide which development it desires and express itself in no uncertain voice.

I need hardly to say that, whatever view I have expressed in this address I have given you as my own personal convictions without attempting in any way to speak for my colleagues. I want to emphasize furthermore that whatever I have just said concerning relations between the Treasury Department, the Comptroller's office and the Board must be considered as a strictly impersonal statement, having no relation whatever to present incumbents, who are bound by the law as it stands, and applying solely to principles which have an important bearing upon the future.

#### CENTRAL BANK UNWISE, BUT FEWER DISTRICTS WOULD STRENGTHEN THE SYSTEM.

And now, in closing, let me say again that I am an unqualified believer in and enthusiastic supporter of the Federal Reserve System. Its fundamental principles are sound; its benefits to the country have been immense and will become more apparent with each succeeding year. Though from the point of view of banking technique, one single central bank would have been easier to administer and, in some respects, might have been more economical and efficient, I am convinced that the undisturbed development of our financial system is better assured and that danger of business or political control are more certain to be avoided by a system of co-ordinated central banks. That the system might possibly be simplified and made stronger and more efficient by merging some of the districts, is an opinion held by many, a view which I entertained before the organization of the districts, and to which I am still wedded.

The Federal Reserve System is an ingenious combination of centralization and decentralization. But decentralization carried too far defeats its own ends. If you try to create 100 independent centers each will be too weak to act as a point of crystallization, and, as a result, they will all depend upon the one that is the strongest amongst them. If it is the object of the system to counteract the preponderance of one district, the other districts must be strong enough to become independent centers of importance, containing a sufficient degree of diversity of interests, and sufficiently imposing to command undoubted prestige and confidence. By merging a few districts into twin districts, greater strength, greater efficiency, and cheaper operation might be secured, without changing or weakening the intimate touch now secured by the respective local organizations.

But actual experience will guide us ultimately in ad-

justing this problem. The principle, as I have said, is sound, and it is the duty of every one of us to devote all our energy and our best thoughts towards bringing it to its fullest fruition. Let us be frank in our criticism, but at the same time fair. We are never more severe than when we criticize our own children—that is because we love them best and entertain for them the highest ambitions. That is why I have been frank today—because I do care for this system, because I do care for this country and want it to succeed and take its proper place as a financial and industrial power amongst nations. That is why I think that the bankers of the country whose own success or failure is so closely linked to the future development of the Federal Reserve System should now set their minds upon its problems in the same spirit, as friends of the System, as fathers—if you please—who want to see their child grow and develop, even if it entails some sacrifices upon the parents.

#### PLEA FOR CO-OPERATION BY BANKERS IN BRINGING ABOUT GREATER UNSELFISHNESS AND BROADER VISION.

The greatest obstacle in the way of the Federal Reserve System's freest and most beneficial development is, on the one hand, selfishness on the part of some of our members, whose vision does not reach beyond their own limited sphere, and who are unable to grasp the larger question of the safety and future of the country. On the other hand, it is suspicion, prejudice, and half knowledge. These obstacles will be overcome by public opinion based upon better education. In this work of national scope and importance your association can render the greatest service. It can lead within its membership in developing sound banking practices and good banking ethics; and, as towards the public, it can lead in the work of teaching the gospel of modern and clean banking and help in enacting sound practices into sound law.

At the time of the opening of the Federal Reserve Banks, Sir George Paish said to me, "The future of your system will depend upon your ability to get under the control of the Federal Reserve Banks the scattered gold of your country." Two years have passed since. We have made great headway in many respects, but the organized control of our gold is still in its incipient stage. One reason for this disappointing condition is that the State institutions have not done their duty towards the System; the other is that there has not been enough clear thinking and too much immature criticism. Congress will not give us the necessary relief until there is greater accord in the minds of the banks and our financial writers.

Has it occurred to some of our critics that, before assailing us, it should be their duty to stop to consider that there is a difference between reserves of central banks and member bank reserves, and that a greenback and a Federal Reserve note are as different as day and night—the one issued as a perpetual currency to pay 200 millions of the Government's debts and the other issuable only against the purchase of self-liquidating paper, expanding and contracting according to the amounts so invested, and secured by a generous minimum reserve of gold? Let them bear in mind that it was that kind of superficial but persistent criticism that stood in the way of banking reform in years gone by; that made us endure the painful experience of 1907 before submitting to the remedy of more modern methods and that delayed final action until, half prepared, we had to meet the storm of 1914, subject to disturbances and sufferings which we might have avoided, and losing opportunities which should have been ours.

Some of these critics, sitting in their little chairs at their little desks, within their four little walls, with very little knowledge and very big words, stake their own local views against the world's acknowledged experience. They disregard the fact that buildings have grown so



high and reached such dimensions that fire engines and water mains—the weapons of protection—must be of the most powerful and most modern type. Some of them appear to think “that the engine that was used when father’s house burnt down to the ground is good enough for everybody and that the big new houses won’t burn anyhow”; others have a fire engine of their own invention, never tried, but better than all the rest; others are sore because they, themselves, are no longer the fire chiefs; and some object because they do not wish to pay their share for adequate protection.

But, gentlemen, let those of us who believe in foresight, experience, and co-operation, stand together and let us secure the very best possible protection, without hysteria and extravagance—not as schemers, but as conservative and conscientious men; as cautious captains alive to our responsibilities and to the storms that must come.

Immediately after the beginning of the war, Hartley Withers wrote, in “The War and Lombard Street,”—

“It was the chance of a century for New York. American ambition has long informed the world that the United States, having been the world’s granary, is now the world’s most progressive manufacturer, and means soon to be the world’s banker. This may happen some day, and might have happened already if American policy in currency, financial and fiscal matters had been more thrifty. But they have tried their credit system in the bonds of narrow banking laws and their trade in those of a cramping tariff. These bonds they have just begun to shake off, and if the crisis had happened a few years

later they might perhaps have made a bid for London’s place as the world’s banker.”

\* \* \* \*

“It was the chance of a century, but New York could not take it. When London called in its credits from other countries, any centre could have said to these countries, ‘We will give you the credit that London has cut off, and lend you the money to pay London,’ would have stepped straight on to London’s financial throne and set London a very difficult task to regain it after the war was over. In spite of the large amounts of gold taken from America to Europe before the war, the United States had still a huge store within its borders—some estimates of it ranged up to 400 millions sterling. If the United States had had the courage to use this mountain of metal and let other countries draw on it, London would have had more gold than it knew what to do with, and New York would have had a big slice of London’s business. But America feared to use its gold and held on to it as tightly as it could, fearful of internal trouble and a run on its banks if too much of the metal went abroad.”

Since writing the above, two years ago, Mr. Withers has greatly modified his views. In his latest book, “International Finance,” published a few months ago, he says:

“America is now one of the leading powers in international finance, and on the wise and skilful use of its strength the future prosperity of the civilized world will, to a great extent, depend.”

Shall we be found wanting? The answer will largely depend upon you, the bankers of the United States; upon the strength you give to your Federal Reserve System and upon your contribution to the moulding of its future.

# Committee and Officers' Reports—Banking Section.

## Annual Report of the General Secretary.

NEW YORK CITY, Sept. 1, 1916.

To the American Bankers' Association:

GENTLEMEN: My report as General Secretary of the American Bankers' Association is respectfully submitted herewith and covers the period from August 15, 1915, to August 31, 1916. The early date of our Seattle convention last year compelled us to balance our books as "of August 14, 1915," so that this fiscal year, while ending on August 31, covers a slightly longer period than heretofore.

Details of the activities of the Association during the past year are given in the various reports presented by the officers of the Association, Sections, Commissions, Committees and Departments during the sessions of the Convention. To these activities I shall refer but briefly, while covering in detail the matters relating particularly to my administration of the affairs in general of the Association, including its finances, as called upon so to do.

### EXECUTIVE COUNCIL

The growth in membership and increased attendance at conventions each year serves to give emphasis to the fact that proper administration of the Association's affairs must be had through the medium of the Executive Council.

The Spring Meeting of the Executive Council was held at Briarcliff Lodge, Briarcliff Manor, New York, May 8, 9 and 10, 1916. The attendance was above normal and the few members compelled to absent themselves had good and sufficient reasons for so doing. The Council gave consideration to many matters of interest to our vast membership, with a freedom of expression that argues well for the interests of all concerned and resulted in a harmonious session.

Thirty-one members in the one-year class, twenty-four members in the two-year class, twenty-seven members in the three-year class and fourteen members *ex-officio* will constitute the new Council which organizes after the adjournment of this Convention—a total of ninety-six. Three states have added each a new member of the Council—by increasing the necessary membership: Kansas, Minnesota and Oklahoma.

### SECTIONS OF THE ASSOCIATION

The various Sections have actively engaged in matters of peculiar interest to their bank members; much has been accomplished and it affords me great satisfaction to report entire co-operation between all the Sections and the Association officials.

On Friday evening, February 25, 1916, the sixth annual dinner of the Trust Company Section was given at the Waldorf-Astoria in New York City. Nearly 800 bankers were present and aside from its record-breaking attendance it was a pronounced success.

The Thrift Campaign and the Centennial of the institution of savings banks in the United States are but two of the important matters in the hands of the Savings Bank Section this year. The Thrift Campaign as inaugurated and carried through the past fiscal year has been one of the important epochs in the history of the Association. The special committee, appointed by the Savings Bank Section, has been very active in supporting this movement. Much credit, however, must be given to Mr. M. W. Harrison, Secretary of the Section, for his energy, resourcefulness and push. He has been indefatigable in his efforts to make this the crowning effort of the work of the Savings Bank Section, which culminates in the Centennial Anniversary and celebration of the Thrift Campaign in Kansas City.

The Clearing House Section has been specially active in waging a "NoProtest" check campaign and for the institution of country clearing houses as well.

The fourteenth annual convention of the American Institute of Banking Section was observed in Cincinnati, Ohio, October 18, 19 and 20. The Institute has grown in members during the past year and its increased activities in matters educational can but promise well for the future of our banks and bankers. The Bankers Health Commission is doing excellent work and considerable interest is being taken in the efforts put forth by the Commission for the maintenance of health among bank employees.

Again I want to commend the thoroughness of the activities of Mr. George E. Allen, Educational Director of the American Institute of Banking Section. When the Institute was first established, Mr. Allen set a high mark as the ideal of what should be accomplished by that organization, along the lines of its educational features. Mr. Allen's foresightedness, his energy and zeal have brought the support of all of the banks in the larger cities of the country to the various Chapters, with the result that the educational department is now what the Institute has been striving for and has realized.

The Secretaries of the various state bankers associations comprise the Organization of Secretaries Section and during the past year they have co-operated heartily in matters of local as well as general interest to our members. Particularly, many of the state associations have been active in promoting the educational features of the Institute Section and in due course the reward will come from this labor.

Organized at our Seattle convention, the National Bank Section has earned its spurs. Its Executive Committee and officials have been active in the consideration of matters of interest to its Section members and to the Association membership at large. Important phases of the Federal Reserve Act have been studied and changes recommended. Conferences have been held in Washington with the Federal Reserve Board and the Conference of Governors; and important meetings in other sections of the country have been attended, with most excellent results. Pending the selection of a Secretary for the National Bank Section, for five months your General Secretary acted in that capacity, until Mr. Jerome Thralls, former cashier of the Federal Reserve Bank of Kansas City, was chosen as joint Secretary of this Section and of the Clearing House Section; and in his selection these two Sections have been most fortunate and are to be congratulated.

To Secretaries Babcock, Harrison, Thralls and Bartlett, as well as to Presidents Bean and McFadden and Educational Director Allen, I extend my appreciation and thanks for their assistance and co-operation during the year and I congratulate them upon their individual successes.

### STATE BANK SECTION

Due provision having been made in our Constitution for a State Bank Section, steps are being taken for the organization of such a Section during convention week and a call for a meeting has been issued, signed by prominent bankers in all parts of the country. The outcome of this meeting will be referred to the Executive Council for approval, and as I am a profound believer in Sections, and the efficiency of the work of our Sections now organized, I sincerely hope a State Bank Section will be organized.

### JOURNAL-BULLETIN

With an increase in circulation of almost 4000 copies a month over a year ago, the JOURNAL at this time issues over 34,000 copies each month. More extensive use than ever before of the matter contained in its columns is being made by the financial and daily press as well as other mediums. Its importance seems to be established and Editor Welton is to be congratulated, and the Association as well, upon the success of our publication. Commendatory letters continue to come in regarding the JOURNAL and we are specially glad to have the expressions of commendation of our members, and letters of protest as well, although the latter are few in number. Through these communications the pulse of our membership is taken and detailed information frequently furnished on matters of interest to the particular member. There are still evidences, however, that some of our members do not avail themselves of the columns of the JOURNAL as a bulletin of information of Association affairs, and to such I earnestly recommend a careful perusal of each issue as received.

### LEGAL DEPARTMENT

Of the many branches of Association work, none is of greater importance than that of the Legal Department, so ably conducted under General Counsel Paton. I bespeak your undivided attention to the report of the General Counsel, when same is submitted.

### STATE ASSOCIATIONS

There is now a bankers association in every state in the Union and the District of Columbia—forty-nine in all. While some of these associations, through greater size and numbers, must accomplish more than others, all are healthy organizations and much is accomplished through their efforts. Vast power is represented by the state associations and the American Bankers Association, and when wielded jointly results must come.

Your General Secretary has attended various conferences, conventions of state associations, group banquets, dinners of the Institute, etc. The Association has also been widely represented at state association conventions, etc., by President Lynch, First Vice-President Goebel, Assistant Secretary Fitzwilson, General Counsel Paton, Educational Director Allen, Secretaries Harrison and Thralls and by Messrs. Welton and Gammon, Managers respectively of the Department of Public Relations and Protective Department. In this manner, I believe the Association officials and Department heads have come in contact with a larger number of our members than ever before.

### DEPARTMENT OF PUBLIC RELATIONS

Manager Welton has again demonstrated the wisdom of the creation of this Department and his establishment as its head and manager. A forceful and versatile writer, he has through the medium of the JOURNAL and otherwise given extensive publicity to items of peculiar interest and import to our membership. Continued studied improvements have been effected in the JOURNAL and further changes may be expected as time goes on. He has been ably assisted by Associate Editor Lewis, to whom has fallen also the burden of publication, and the management of the contract and purchasing department. Mr. Lewis has proven himself eminently qualified for this important work.

### COMMITTEES

In an organization as great as the American Bankers Association has become, the importance of committees and their work cannot be overestimated, and each year we must still further depend upon our committees for the accomplishment of desired features of Association work.

The Administrative Committee has held several meetings since the Seattle convention and has given careful consideration to various matters connected with the administration of Association affairs. Among the more important that have been acted upon are:

Selection of Briarcliff Lodge as the place for holding the Spring Meeting of the Council; deciding upon the dates for the Kansas City Convention; approving the appointment of M. W. Harrison as Assistant to Educational Director Allen of the Institute Section; approving the selection of Jerome Thralls as Secretary (jointly) of the Clearing House and National Bank Sections; and it referred various matters to the Committee on Federal Legislation for their action.

The Insurance Committee has been active in enforcing betterments, in its particular field, for our members generally and has been peculiarly successful in several instances in bringing about more liberal settlement of cases than the companies were at first inclined to give. A new form of Bankers' Blanket Bond has been effected during the past year and was approved by the Insurance Committee as of June 8, 1916; and our members are advised to insist upon the form of bond carrying this indorsement printed on the face thereof. The Insurance Committee is fortunate in having as its Secretary, Mr. B. A. Ruffin, who is so familiar with the intricacies and detail of insurance matters. Secretary Ruffin conducts a vast correspondence with our members from his office in Richmond, Va., and will ever be found ready and willing



to advise upon any point within his province. Mr. Ruffin has attended several state association conventions during the year, thereby furthering the good work of his Committee and the welfare of the Association.

The Committee on Law has again been actively engaged in promoting various phases of state legislation and its efforts have been very successful. Its report will merit your attention.

The Committee on Federal Legislation has had a busy year and has met with success in many matters of Federal legislation it has recommended. Most prominent, perhaps, of all its efforts is the achievement of the passage of the Pomerene Bill (the National Bill of Lading Law) after a campaign extending over a period of eleven years. The full details of what has been accomplished by this Committee will be told in its report, covering perhaps the most important activities in its history.

The Finance Committee, together with its Sub-Committees, have given careful attention to matters of finance within the Association, analyzing the various reports, statements, etc., submitted at Convention and Spring Meeting periods. A committee on efficiency in the conduct of Association affairs was appointed at the Briarcliff Spring Meeting, to report at Kansas City, and it will be interesting to note that this committee found the conduct of the varied details of the Association to be generally up-to-date in every respect.

#### BILLS OF LADING

At our convention in Washington, in 1905, there was appointed a Committee on Bills of Lading; said committee consisting of Messrs. Lewis E. Pierson, New York, Chairman; William Livingstone, Detroit; Frank O. Wetmore, Chicago; J. A. Lewis, St. Louis, and William Ingle, Baltimore.

The Committee performed active service in connection with the task assigned it and presented reports at subsequent conventions. It also urged the various state bankers associations to form similar committees within their organizations, to aid in the work on this proposition.

In 1909, at our Chicago convention, Mr. Clay H. Hollister became Chairman of the Committee, with Messrs. Whitmore, Lewis and Ingle completing the same. In 1910 Mr. Daniel G. Wing was added to this personnel, and in 1911 Messrs. Sol Wexler and Nathan Adams were also added. This constituted the Committee until the Boston convention in 1913, the Committee, as such, making its last report at that convention.

The Bills of Lading Committee not having been continued, the Executive Council, at Boston, on Friday, October 10, 1913, passed a resolution referring to the Committee on Federal Legislation the task of carrying on this important campaign.

This Committee gave every attention to the proposition and its persistence along these lines has finally met with success. Chairman Charles A. Hinsch, the members of the Committee on Federal Legislation, and General Counsel Paton are to be congratulated on the outcome—the passage of the Pomerene Bill, S. 19, and its approval and signing by President Wilson on August 29 of this year. The culmination of eleven years of effort on the part of our Association has secured national legislation which will give bills of lading their proper status as instruments of credit. The vital parts of the law just enacted are (1) integrity, (2) full negotiability and (3) punishment of forgery of bills of lading.

#### CURRENCY COMMISSION

There have been no demands made upon this important body during the past year, but the Commission is intact and stands ready to serve when there is demand for its services.

#### AGRICULTURAL COMMISSION

Co-operating with various state associations and Agricultural Committees, this Commission has carried on its work during the year. The *Banker-Farmer* continues to be well received and no doubt much has been accomplished to bring about a closer relationship between the banker and the farmer. The campaign for improved conditions in farming sections, with better roads, schools, better crops through the diversification of same, etc., must of necessity be slow in showing results, but there is a steady improvement all along these varied lines of endeavor.

#### PROTECTIVE COMMITTEE

This committee, secretly named for obvious reasons, has given careful attention to the affairs of the Protective Department and proper supervision to the conduct of its affairs. Unfortunately they cannot, as individuals, receive the expressions of appreciation to which they are entitled.

The report of the Protective Committee (to the Executive Council) and the report of the Protective Department by Manager Gammon will show in detail what has been accomplished in this important field of Association endeavor during the year. These reports and the data given in the full report of the William J. Burns International Detective Agency, Inc. (available to all Association members), furnish full detail and warrant careful perusal by our members.

The Association has received many letters of commendation of the work of the Protective Department. Only a few letters of criticism have come to hand, and these generally have been written through misunderstanding of facts involved.

That there may be no misunderstanding whatsoever as to the nature of the service rendered by the Protective Department and to the end that every member may have exact information, it seems again desirable to state that all cases which come within the rules of the Protective Department are handled without cost to the member concerned; the Association will prosecute the amateur as well as the professional criminal and cases reported to the nearest Burns Agency office will be taken up without delay. It is unnecessary to communicate with the General Offices in New York before a case will be taken up, all allegations to the contrary being false.

Manager L. W. Gammon each year continues to improve and perfect his Department. An untiring worker and with a thorough knowledge of his line, he develops the best within his Department and can but demonstrate each year his value to the Association and its members in his particular field.

#### LIBRARY

In the Association Library and its Reference Department there has been a steady growth during the year. The loan feature is becoming better understood, and more general in use and the matter on the library shelves is more frequently in demand by bankers and others for reference and research work.

We trust that with the new year we are just entering upon, many more of our members will avail themselves of the Library and the wealth of reference data it contains.

The Association has received many contributions of books, pamphlets, magazines, newspapers, etc., etc., from organizations, libraries, bankers and individuals. These contributions stimulate what has already been gathered together and are much appreciated.

The Librarian, Miss Glenn, will make a report on the Library and Reference Department and to her untiring efforts much of the success of our library is due.

#### FINANCES

The Treasurer's report shows a cash balance on hand of \$32,264.22. The balance in 1915 was \$36,097.75 and \$20,152.70 in 1914.

The reduction of the cash balance at the end of the fiscal year of 1916, as compared with the fiscal year of 1915, is accounted for by the extraordinary expenses during the past year, which are covered in increased expenditures of Seattle convention, additional appropriation required by the Savings Bank Section for its Centennial and Thrift Campaign, and other special items which do not ordinarily occur. I recommend that the Finance Committee set aside, for investment, a portion of this balance. All bills have been paid for the full fiscal year just ended.

#### OFFICE IMPROVEMENTS

A new and up-to-date installation of the Turner Intercommunicating Telephone System between the General Secretary's office and various offices of his assistants has been put in during the year. This greatly facilitates the transaction of inter-office detail and proves a great convenience and time saver.

To our mechanical equipment has been added an Edison Rotary Mimeograph No. 78, electrically controlled, for the supplying of manifold copies of circular and publicity matter; also a Graphotype, electrically operated, which now enables us to make our own stencils for the addressograph equipment, without delay.

Some new furniture has been placed in the general "work room" with the elimination of old-fashioned roll-top desks—resulting in improved appearance of the room and increased efficiency of the employees.

#### ROUTINE WORK

During the fiscal year just ended we sent out from the General Offices more than 641,000 letters, circular letters, Proceedings, JOURNAL-BULLETINS, etc. The following statement shows the volume of mail and express matter in detail:

#### FIRST-CLASS MAIL MATTER

Letters .....	13,877
Circular letters, etc.....	57,578
First-class mail other than letters, such as typewritten lists, etc. ....	2,474
	<hr/> 73,929

#### SECOND, THIRD AND FOURTH CLASS MAIL MATTER

JOURNAL-BULLETINS, including those of A. I. B.....	390,041
Codes .....	1,330
Signs .....	1,530
Lists of Members.....	17,096
Packages .....	1,262
Postal Cards.....	253
	<hr/> 411,512
Total A. B. A. mail matter.....	<hr/> 485,441

#### SECTIONS AND DEPARTMENTS

Total first-class mail matter.....	128,230
Total second, third and fourth class mail matter.....	12,856
	<hr/> 141,086
Total mail matter.....	626,527
Express packages.....	15,162
	<hr/> 641,689

#### MEMBERSHIP

At the time of balancing our books, August 15, 1915, membership in the Association stood at 15,010. At the Briarcliff Spring Meeting this year, it was announced that we hoped for an increase of 1,000 members by August 31; and, on the date of closing our books, it is my pleasure to report there were enrolled 16,016 members, representing a net gain for the year of 1,006. Last year the net gain was 290 members. I am sure this result is most gratifying—a record that has been excelled but twice in the existence of the Association. In 1901 there was a net gain of 1,113 and in 1912 a net gain of 1,251.

To the state of Oklahoma belongs the credit for greatest increase in membership in the Association with 118 new members, a total of 530. Kansas comes second with 111 new members, a total of 741. Nebraska comes third with 91, a total of 483. Missouri is fourth with 73 new members, a total of 611; Iowa is fifth with 70, a total of 678; Illinois stands sixth with an increase of 61 and a total membership of 981; and Texas seventh with an increase of 47 and at total membership of 567. New York ranks first in Association membership with 1,019, Illinois second with 981, Pennsylvania third with 966, Kansas fourth with 741, Iowa fifth with 678, California sixth with 636, Ohio seventh with 621 and Missouri eighth with 611.

Relating to increase of membership by the various Sections and officers of the Association showing the number of applications known to be received from the sources mentioned below during the fiscal year ending August 31, 1916:

National Bank Section, through the co-operation of Mr. Jerome Thralls, Secretary of the Section; the Vice-President of the National Bank Section for Oklahoma, Mr. T. P. Martin, Jr.; Mr. G. D. Davis, Mr. E. W. Sinclair and others located in that state 150  
 O. T. Eastman, Vice-President A. B. A. for Nebraska..... 92  
 Note.—With the co-operation recently of Mr. W. B. Hughes, Secretary of the Nebraska Bankers Association, they having signed a joint circular.

Those who were most successful in membership campaigns:  
 M. A. Traylor, Vice-President A. B. A. for Illinois..... 32  
 P. W. Goebel, Vice-President American Bankers Association.... 27  
 A. C. Smith, Vice-President A. B. A. for Iowa..... 22  
 Trust Company Section..... 20  
 W. W. Woodson, Vice-President A. B. A. for Texas..... 17  
 Wm. J. Burns International Detective Agency, Inc., general solicitation with good results.

Very many of our State Vice-Presidents, Members of the Executive Council and State Secretaries gave us valuable assistance in increasing membership during the past year; and for this loyal work all are entitled to the sincere thanks of the Association.

August 14, 1915.....	15,010
*Erased from the rolls through failure, liquidation, consolidation and withdrawal December 1, 1915.....	883
Membership .....	14,127
August 31, 1916, new members joined during the year..	1,422
*Regained members (secured from the above).....	467
	1,889
August 31, 1916, membership.....	16,016
A net increase for the fiscal year of.....	1,006
A net loss for the year in failures, consolidations, etc....	218
A net loss for the year in delinquents.....	198
	416
Making the actual gain in new members.....	1,422

The membership and resources of the Association have increased as follows:

	Paid Membership	Annual Dues
September 1, 1875.....	1600	\$11,606.00
September 1, 1885.....	1395	10,940.00
September 1, 1895.....	1570	12,975.00
August 31, 1905.....	7677	127,750.00
August 31, 1906.....	8383	137,600.00
August 31, 1907.....	9251	150,795.00
August 31, 1908.....	9803	162,507.00
August 31, 1909.....	10682	175,352.00
August 31, 1910.....	11405	188,934.00
August 31, 1911.....	12072	198,530.00
August 31, 1912.....	13323	213,752.50
August 31, 1913.....	14100	229,324.48
August 31, 1914.....	14720	233,915.00
August 14, 1915.....	15010	245,651.00
August 31, 1916.....	16016 (estimated)	262,021.76

INCOME

Interest on Bonds and Corporate Stock.....	\$4,730.00
Interest on Bank Balances (estimated).....	2,800.00
Estimated Annual Dues for Fiscal Year Ending August 31, 1917 .....	262,021.76
Making Total Income, year ending August 31, 1917.....	\$269,551.76

MEMBERSHIP BY YEARS.

YEAR.	MEMBERSHIP.	Gross Loss by Failures, Merger, Delinquents, etc.	Net Loss by Failures, Merger, Delinquents, etc.	Gross Gain.	Net Gain.
1897	2,813	371	....	982	611
1898	3,424	248	....	783	535
1899	3,915	211	....	741	530
1900	4,500	234	....	819	585
1901	5,504	200	....	1,313	1,113
1902	6,354	186	....	1,159	973
1903	7,065	313	....	1,139	826
1904	7,563	500	....	1,120	620
1905	7,677	1,038	....	1,152	114
1906	8,383	337	....	1,043	706
1907	9,251	434	....	1,302	868
1908	9,803	691	....	1,243	552
1909	10,682	760	....	1,639	879
1910	11,405	781	....	1,504	723
1911	12,072	1,304	....	1,971	667
1912	13,323	790	....	2,041	1,251
1913	14,100	744	....	1,521	777
1914	14,720	894	....	1,514	620
1915	15,010	924	....	1,214	290
1916	16,016	883	....	1,889	1,006

MEMBERSHIP OF STATES AND TERRITORIES HAVING LESS THAN 100 MEMBERS

(As of August 31, 1916)	
Arizona .....	82
Delaware .....	42
Nevada .....	29
New Hampshire.....	70
New Mexico.....	73
Rhode Island.....	49
Utah .....	85
Vermont .....	76
Wyoming .....	93
Alaska .....	17
Canal Zone.....	1
Hawaii .....	16
Philippine Islands.....	3
Porto Rico.....	9
Canada .....	43
Cuba .....	24
Isle of Pines.....	1
Mexico .....	10
Panama .....	4
Total .....	727

MEMBERSHIP  
 DIVISION OF BANKS IN ASSOCIATION, AUGUST 31, 1916

STATE OR TERRITORY	Nat'l	State	Private	Trust Co's.	Savings Banks	State Sec'y.	A. I. B. Chaps.	Total
Alabama .....	60	82	12	22	7	1	1	175
Arizona .....	12	48	0	20	1	1	0	82
Arkansas .....	52	164	2	26	1	1	1	247
California .....	206	296	6	36	87	1	4	636
Colorado .....	109	98	7	17	9	1	1	242
Connecticut .....	69	9	7	44	48	1	1	179
Delaware .....	22	1	1	15	2	1	0	42
Dist. of Columbia...	14	3	3	3	16	1	1	41
Florida .....	49	125	4	12	4	1	0	195
Georgia .....	98	253	7	18	12	1	1	381
Idaho .....	49	85	2	7	1	1	0	145
Illinois .....	333	314	215	76	41	1	1	981
Indiana .....	153	152	40	56	3	1	0	405
Iowa .....	205	164	53	30	225	1	0	678
Kansas .....	192	533	2	6	7	1	0	741
Kentucky .....	76	70	1	27	4	1	1	180
Louisiana .....	34	123	1	21	5	1	1	186
Maine .....	58	0	0	36	21	1	0	116
Maryland .....	80	36	23	19	26	1	1	186
Massachusetts .....	157	2	27	74	109	1	1	371
Michigan .....	90	165	44	9	168	1	1	478
Minnesota .....	188	304	8	5	6	1	2	514
Mississippi .....	30	122	1	15	2	1	0	171
Missouri .....	106	401	22	46	32	1	2	610
Montana .....	59	151	19	12	0	1	0	242
Nebraska .....	175	294	4	7	2	1	0	483
Nevada .....	10	17	0	1	0	1	0	29
New Hampshire ....	47	1	0	7	14	1	0	70
New Jersey.....	181	27	3	97	18	1	0	327
New Mexico .....	36	26	1	8	1	1	0	73
New York .....	421	261	145	92	92	1	7	1,019
North Carolina.....	68	97	1	35	7	1	0	209
North Dakota.....	111	215	0	3	3	1	0	333
Ohio .....	245	139	62	56	115	1	3	621
Oklahoma .....	242	275	0	11	1	1	0	530
Oregon .....	77	90	10	12	8	1	1	199
Pennsylvania .....	583	99	52	194	34	1	3	966
Rhode Island.....	18	1	2	19	7	1	1	49
South Carolina ....	37	125	1	10	18	1	1	193
South Dakota.....	86	197	3	10	9	1	0	306
Tennessee .....	80	104	1	47	9	1	1	243
Texas .....	319	161	28	54	1	1	3	567
Utah .....	22	44	4	5	8	1	1	85
Vermont .....	41	0	0	21	13	1	0	76
Virginia .....	99	119	13	14	9	1	1	256
Washington .....	68	208	17	21	9	1	2	326
West Virginia .....	83	97	2	21	4	1	1	209
Wisconsin .....	117	249	2	11	21	1	1	402
Wyoming .....	32	53	1	6	0	1	0	93
Alaska .....	3	13	1	0	0	0	0	17
Canal Zone .....	1	0	0	0	0	0	0	1
Hawaii .....	4	6	2	4	0	0	0	16
Philippine Islands...	0	3	0	0	0	0	0	3
Porto Rico.....	0	7	2	0	0	0	0	9
Canada .....	0	42	0	1	0	0	0	43
Cuba .....	1	18	3	1	0	0	1	24
Isle of Pines.....	1	0	0	0	0	0	0	1
Mexico .....	0	8	2	0	0	0	0	10
Panama .....	1	2	0	1	0	0	0	4
	5,701	6,699	859	1,421	1,240	49	47	16,016

IN MEMORIAM

On February 15, 1916, at Ormond Beach, Fla., there passed to the Great Beyond, George E. Lawson, president of the Peoples State Bank of Detroit, Mich., and member (1916 class) of our Executive Council and of our Finance Committee as well.

Mr. Lawson took an active interest in the affairs of our Association and gave of his best in its interest and welfare. A man of ability, always courteous, of a gentle nature and charitable, he will be missed in our assemblings as well as by all who knew him in his native city.

APPRECIATION

The General Secretary would take this occasion to word his appreciation of the assistance and courtesies rendered him by the Executive Council, Departments, Sections, Committees and Commissions; as well as by the Association officials, State Vice-Presidents and State Secretaries.

The general Association membership has been loyal in its support, and for this and their letters of encouragement and the warm welcome accorded when brought into personal contact with bankers of the country, your General Secretary is appreciative and grateful.

His association during the year with President Lynch and the Administrative Committee has been most agreeable and helpful. With the distance from the Atlantic to the Pacific separating us, President Lynch has found it possible to visit the general offices and attend Administrative Committee meetings, and the other members have given freely of their time and attention to the betterment of Association matters. To Treasurer Wing, Assistant Secretary Fitzwilson, T. R. Wilson, secretary to the General Secretary, and to the employees in the General Officers I also extend expression of my appreciation. The hearty co-operation given by them all has made this year, the ninth of my administration, the more enjoyable and the results attained more effective than heretofore.

KANSAS CITY

This convention of the Association in Kansas City is the forty-second in the history of our organization. Kansas City has once before entertained the American Bankers Association—on the occasion of our fifteenth annual convention, September 25 and 26, 1889. There are those



among our number who will recall that convention as one of the most successful held up to that time, and particularly marked was the unbounded hospitality of the bankers and citizens of Kansas City on that occasion.

At that time the Association had a membership of about 2,200 and the attendance at the convention was approximately 600 delegates, and with guests, totaling in all about 1,500 people.

A Missouri banker was President—Mr. Charles Parsons, president of the State Bank of St. Louis; and Mr. Joseph S. Chick, president of the National Bank of Kansas City, Mo., was a member of the Executive Council. Mr. William P. St. John (well known in the past in this section of the country) was one of the principal speakers and Mr. George F. Baker of New York City, prominent banker and financier, was Treasurer of the Association. The income for that fiscal year was \$14,612. An interesting program was presented and there were many speakers on question of the day, with spirited discussions.

Again we meet in this great mid-western metropolis with marked changes in the Association, showing progress along all lines of endeavor; with a membership of more than 16,000 banks and an attendance of approximately 4,000 delegates and guests.

When the enterprising delegates from Kansas City presented their invitation at the Seattle convention there were promises made, which in every particular will be fully realized—in fact, will be more than realized by those who are so fortunate as to attend this forty-second annual convention.

Your General Secretary has made several visits to Kansas City during the past year, meeting bankers and citizens on each occasion, and has realized fully that Kansas City believes in co-operation; that its business and professional men co-operate thoroughly with the bankers in providing entertainment and hospitality, and in every way carry out the slogan of the city—"Kansas City, the Heart of America," "All for One and One for All."

I wish to express my sincere thanks to the Executive Committee and to all local committees of Kansas City for the aid and assistance I have received at their hands in the endeavor to carry out the vast details of this great convention; and to convey for the Association its thanks for a most successful convention, so well managed, and carrying with it the unbounded hospitality of the city.

FREDERICK E. FARNSWORTH,  
General Secretary.

### Report of Currency Commission

To the American Bankers' Association:

Your Currency Commission, through an interchange of views by correspondence, are unanimously of the opinion that our report this year should be one of progress. There remains only the short session of Congress, which terminates on the 4th of March next. It would be unwise, in our judgment, to attempt the accomplishment of any general legislation at that session. The administration also changes on the 4th of March, by the re-inauguration of the present incumbent or the inauguration of his competitor.

As time passes we are obtaining a better knowledge of the actual working of the Federal Reserve law, its strong points and its possible defects. It seems to us that upon the incoming of the new Congress the American Bankers' Association ought carefully to consider the present law relating to banks and banking, with a view to suggesting amendments, prompted by our banking and business experience. This should be done for the purpose of perfecting the Federal Reserve system and bringing it into co-operative harmony with the various banking institutions of the country.

In order to facilitate the labors of the Commission we think it would be well to have all papers and suggested amendments of a specific nature, which are submitted to the convention, referred to the Commission for its use another year.

Respectfully,

A. BARTON HEPBURN, *Chairman.*

JOS. A. MCCORD	JAMES B. FORGAN, V. C.	JOHN PERRIN
J. F. SARTORI	MYRON T. HERRICK	LUTHER DRAKE
L. L. RUE	FESTUS J. WADE	SOL WEXLER
E. L. HOWE	JOS. T. TALBERT	ROBT. WARDROP
	GEO. M. REYNOLDS	E. F. SWINNEY

### Annual Report of General Counsel, Thomas B. Paton

A considerable portion of the work of the General Counsel since the Seattle Convention has been in connection with the activities of the Committee on Federal Legislation, both in an advisory and executive capacity. General Counsel has participated in meetings, conferences and discussions upon legislative subjects, drafted and caused bills to be introduced for the Committee, attended Congressional hearings, had numerous interviews with members of Congress in Washington and elsewhere, prepared briefs and arguments upon particular measures, issued circulars, letters and telegrams, conducted an extensive correspondence, kept track of all bills introduced in Congress affecting the banking interests, closely watched bills of an objectionable character and, in short, endeavored both in a legal and secretarial way, to do all things necessary as an aid and adviser of the Committee in the successful prosecution of its work.

A very considerable measure of success has attended the labors of the Committee on Federal Legislation, both in the enactment of bills favored by the Association and in defeat of objectionable measures. Legislation favorable to the banking interests has been enacted at the recent session of Congress modifying the Clayton interlocking directorate act, establishing a satisfactory bill of lading law, modifying the revenue law, including the substitution of a less onerous corporation tax for the bankers' special tax, extending the powers of national banks with respect to foreign trade and amending the Philippine bill so as to remove the danger to holders of Philippine bonds. The year has been unusually fruitful in national legislation of value to bankers and in procuring this result, our Committee on Federal Legislation, under the guidance of its energetic Chairman, has taken an important part. The report of that Committee will doubtless be looked for with particular interest for a detailed statement of action and results upon the Federal legislative subjects committed to its charge.

In matters of state legislation, this has been an off year, only a minority of states holding legislative sessions. Nevertheless, some of the important measures recommended by our Association and actively pushed by the state bankers' associations have become law. The report of the Committee on Law (hereafter to be called the Committee on State Legislation) will contain reference to these subjects of state legislation.

Speaking in a general way, the aim and effort of General Counsel in the field of national and state legislation, has been to do all in his power to carry out the policies of our Association in the promotion of legislation having for its object the improvement of the banking system and the soundness and negotiability of commercial instruments of credit, and in opposition to legislation detrimental to the banking interests.

In this connection it may not be inappropriate to emphasize briefly the importance of that branch of the legislative work which has been directed toward improving the negotiability and commercial value of those instruments of credit which are part of the machinery of commercial transactions. The chief instruments of commerce upon which credit is extended are the bill of exchange and promissory note, the bill of lading and the warehouse receipt. The former represent money, the latter goods in transit or on storage.

It has been a long and aggressive fight conducted under the auspices of the American Bankers Association and through the active efforts of state bankers' associations to put the Negotiable Instruments Act on the statute books of the different states. With its enactment this year by the legislature of Mississippi, for which congratulations are due the bankers of that state, there now remain but four states which have not passed the Act—Maine, Georgia, California and Texas. Before the passage of that Act the law governing bills and notes was complicated by the divergent laws of some fifty states providing varying standards of negotiability and different rules governing liability of parties. A bill of exchange or a note originating in another state was discredited because of uncertainty as to its negotiability. The tremendous benefit of having one uniform law of negotiable instruments throughout the country in facilitating the operations of banking and commerce is obvious and this result has now been substantially achieved largely through the organized efforts of the bankers.

Of equal importance to commerce and banking has been the work of the Association in promoting legislation which would provide full negotiability and integrity to the bill of lading as an instrument of commerce. For eleven years the American Bankers Association has been urging national legislation to this end and has at last achieved success through the approval by the President of the Pomerene bill, passed at this session of Congress. In the 59th Congress we started with the Townsend-Burrows bill; in the 60th Congress we urged the Maynard-McLaurin bill; in the 61st Congress, the Stevens-Clapp bill, which passed the House; and in the 62nd, 63rd and 64th Congress, the Pomerene bill which passed the Senate in each of these Congresses but only in the last went through the House. Our Association was the pioneer in the movement but as it gained headway, other organizations became allied and all share in the glory of the achievement. The details of this year's successful campaign will, of course, be covered in the report of the Committee on Federal Legislation. In addition, largely through the efforts of our Association and its Law Committee, the Uniform Bills of Lading Act has already been passed in fifteen states and one territory and the Uniform Warehouse Receipts Act has been passed in 33 states. Congress at this session has also passed a law providing for uniform warehouse receipts containing many of the provisions of this bill. These warehouse acts facilitate commerce by enhancing the value of the warehouse receipt as an instrument of credit.

These subjects are mentioned as indicating the importance of the work of our Association in the field of constructive legislation and the great value of what has been accomplished in this direction. It is not necessary to extend this report by discussing the underlying objects and purposes of various other subjects of national legislation involving amendments of the Federal Reserve Act and other Federal laws nor the many subjects of state legislation handled by our Association in the interest of the banks. These subjects will be sufficiently dealt with in the report of the Committee on Federal Legislation as to Congress and in the report of the Committee on Law as to the different states.

It is interesting to note, in connection with the Revenue law which was approved September 8th and, with certain exceptions, took effect on the following day, that in addition to the elimination of the special tax on bankers and substitution of a smaller tax on all corporations, the stamp tax law was repealed and stamp taxes are no longer in force. Also that certain provisions of the old law, the interpretation of which has been matter of controversy with the Treasury Department, have been so changed as to remove the cause for complaint. The former income tax law upon corporations provided that in ascertaining net income there should be deducted from gross income, among other things, "all losses actually sustained within the year and not compensated by insurance or otherwise \* \* \*." Under this provision the Treasury Department ruled that banks would not be permitted to deduct the loss upon securities charged off upon their books within the year, unless the securities were sold or otherwise disposed of; this notwithstanding the amount charged off was by order of a national bank examiner or state bank department. Until sale or disposition, the Treasury Department contended the loss was not actually sustained and this ruling was adhered to, despite requests for reconsideration. The new law changed the provision to read: "All losses actually sustained and charged off within the year and not compensated by insurance or otherwise \* \* \*." The words "and charged off" were added by the Senate and agreed to by the conferees. Doubtless under the new law, banks will be allowed to deduct from gross income, the amount of loss caused by depreciation of securities charged off on their books within the year, without the necessity of sale or disposition of the securities. It was furthermore ruled under the old law that an individual could not deduct losses arising from dealings in stocks or bonds where such losses were not incurred in the trade or business of such individuals, although profits arising from similar dealings were taxable as gains. The new law corrects this injustice by a provision allowing an individual to deduct from gross income "in transactions entered into for profits but not connected with his business or trade, the losses actually sustained

therein during the year to an amount not exceeding the profits arising therefrom."

In addition to the work of General Counsel in connection with legislative matters, an extensive opinion work is carried on for members of the Association and he has acted in an advisory capacity upon matters presented by different sections and committees. It would be impracticable to enter into any detail of the numerous phases of this work. At the meeting of the Executive Council a year ago it was determined that the General Counsel should prepare for publication a digest of the different opinions he has rendered. Owing to the exigencies of the legislative situation during the last session of Congress it has been impossible to find the necessary time to complete this particular work. It is now in progress.

THOMAS B. PATON,  
General Counsel.

### Report of Committee on Federal Legislation

Mr. President, Members of The American Bankers Association, Ladies and Gentlemen:

Your Committee on Federal Legislation has had a very busy year: also a very successful one from the standpoint of results accomplished. The Committee has had in charge a number of subjects of Federal Legislation pending in the 64th Congress, and has worked to promote certain Bills which have been favored by the Association, and in opposition to other measures.

The Committee has been aided throughout by a very effective system of organization, viz.: a Federal Legislative Council, consisting of one member of the Executive Council in each State, who was requested to perfect a State organization made up of a banker from each Congressional District, who in turn was expected to secure the co-operation of the bankers in his District. To the hearty and efficient co-operation of the members of the Federal Legislative Council is due in a great measure the successful results obtained by our Committee.

Mention should also be made of the encouragement and advice extended by President Lynch, Vice-President Goebel, our able Secretary Colonel Farnsworth, and the spirit of co-operation shown by the Executive Committees of the National Bank and Clearing House Sections, and their efficient Secretary Jerome Thralls, and the effective work done by the Secretaries and other officials of State Bankers Associations. It has been because of the combined efforts of all these different agencies, working to a common purpose, and under the guidance of our Committee, that the legislative policies of The American Bankers Association have been so effectively carried out.

An important measure upon which our Committee and Federal Legislative Council worked unceasingly until a successful result was obtained, is the Kern Bill, modifying the Clayton Act, which prohibits Interlocking Directorates.

The Kern Bill was signed by the President on May 15th, and permits a person to be a Director in not more than two other banks not in substantial competition, upon first procuring the consent of the Federal Reserve Board. The Kern amendment has been interpreted by the Federal Reserve Board, to allow a person who is permitted by the Clayton Act to be a Director of a member bank and one other bank, or Trust Company where the entire capital stock of one is owned by stockholders of the other, to also be a Director in two other banks not in substantial competition—making four in all under such circumstances.

The enormous amount of labor performed and campaign work conducted throughout the progress of this measure, and the history of the legislation in its successive stages of development cannot be detailed here. Credit is especially due to Mr. George M. Reynolds of Chicago, for most effective aid in procuring the passage of the Kern Bill.

A second successful result was obtained in connection with the Philippine Bill. As this measure passed the Senate on February 4th, it contained an addition known as the Clarke Amendment, which provided for the granting of independence to the Philippines in four years, but contained no provision for safeguarding the holders of some seventeen million dollars of Philippine bonds now in the hands of American Banks and other investors. Request for an amendment protecting the holders of these bonds, was made on behalf of our Committee to the House Committee on Insular Affairs, but the Bill was reported without amendment. Following this, long continued efforts were made while the Bill was pending in the House to secure the necessary protection, and as a result, on May 1st, when the Philippine Bill came up in the House, the Clarke amendment was decisively defeated by a vote of 213 to 165. As finally passed the Philippine Bill provides for a more autonomous Government of the Philippines, but the threatened weakening of the security of American investments has been entirely removed and the holders of Philippine bonds are safe. In procuring this result our Committee were without doubt, very ably assisted by the representatives of millions of dollars of Philippine Railway bonds, and by large business interests that would have suffered by the termination of business relations existing between this country and the Philippines.

A third success has been scored in connection with the Revenue Bill. As reported to the House this Bill, in addition to increasing the income tax on individuals and corporations from one to two per cent., also made permanent a special tax upon bank capital and surplus of one dollar per one thousand dollars. The attention of the entire membership of the House was immediately called to the injustice of singling out one class of corporations—the banks—and imposing such a burden of taxation upon them. As a result, the special bank tax provision was eliminated by the House by a decisive vote. Efforts to have the same put back in the Senate, were combatted by our Committee and finally a provision was inserted imposing a special tax on all corporations of fifty cents for each one thousand dollars of capital, surplus and undivided profits, with an exemption of \$99,000 from the capital of each corporation. This removes from the operation of the tax the small corporations, including the banks, all over the country. The elimination of the Bankers Special Tax was a notable achievement, only made pos-

sible by the effective co-operation of the members of our Federal Legislative Council throughout the States, whose immediate response to telegraphic call for action and forceful protests against the injustice of the proposed double taxation carried great weight. Credit for effective assistance is also due to a number of the Clearing House and State Bankers Associations throughout the country. Bills recommended by our Association to amend Section 19 of the Federal Reserve Act so as to enable country National Banks, at the end of the 36 months' period, to exercise an option to keep three of the required twelve per cent. of its reserves in a Reserve Member Bank within the Federal Reserve District, or within a radius of three hundred miles of the country Bank, were introduced by Senator Pomerene in the Senate and Congressman McFadden in the House, but our Committee has been unable to secure a favorable report.

Quite a number of banks throughout the country object to the three hundred mile radius. Some feel that the radius should be extended, and others feel that it should be eliminated entirely. It would seem that some change in the proposed amendment could consistently be made. If the limitations are removed entirely banks would be allowed to continue to carry 3 per cent. or one-fourth of their required reserve, with any Reserve or Central Reserve City Bank in the system.

It has also been suggested that the reserve requirements of country banks be reduced from 12 to 9 per cent. Of this amount 4 per cent. to be carried in cash and 5 per cent. with the Federal Reserve Bank in the District. This would, without a doubt, relieve the country banks to a large extent, and the only objection to this plan is the tendency on the part of some country banks to run as close as possible to the reserve required by law.

At a joint meeting of the Federal Legislative Committee and Council just held at Kansas City, this subject was fully considered, and it was deemed unwise to continue to urge the adoption of the Pomerene McFadden Bills, but in lieu thereof to recommend to the Convention that legislation be urged reducing the reserves of country member banks to 10 per cent.

House Bill 13391 recently passed by Congress, contains an amendment to Section 11 of the Federal Reserve Act, giving the Federal Reserve Board power to permit member banks to carry in the Federal Reserve Banks of their respective Districts, any portion of the reserve now required to be held in their own vaults. This is a most important measure and member banks should be urged to forward to the Federal Reserve Bank of their respective Districts, the cash (Gold if possible) in their vaults in excess of their needs. This will strengthen the Reserve System and fortify our financial position so that we will be able to meet readily the readjustments that are likely to follow the termination of the European War.

Every encouragement should be given the Federal Reserve Board, in their effort to mobilize the Gold held in the Country.

European Banks only carry sufficient money in their own vaults to cover their customary needs, depending on their Reserve Banks for emergency calls, thus concentrating the Gold Reserves in the great Central Banks.

We are not in a position now to respond to a sudden and unexpected call for Gold; our holdings of the metal are known to be enormous, but it is not readily available; if the state banks can be induced to enter the system, their gold holdings would of course augment the gold reserves of the Federal Reserve Banks.

H. R. 13391 also amends Section 24 of the Federal Reserve Act authorizing loans on farm lands by extending the territory in which farm loans may be made to a radius of one hundred miles, from the location of the Bank irrespective of District Lines, loans limited to 50 per cent. of valuation and not to exceed five years. This measure also permits loans to the extent of 50 per cent. of the value, and not for a longer period than one year on improved and unincumbered real estate, other than farm lands within the same radius. The aggregate of both classes of loans is limited to 25 per cent. of Capital and Surplus or one-third of time deposits. If this aggregate were to be increased it would doubtless tend to popularize the system and encourage state banks to join.

Likewise a bill recommended by our Association to amend the Federal Reserve Act so as to reduce the paid-in capital of Federal Reserve Banks to one-sixth of one per cent. of the capital and surplus of the member banks and provide a return of the excess, was introduced by Congressman McFadden, but has not been reported.

The question of amending the Federal Reserve Act authorizing the establishment of Branch Banks, was carefully considered by the Executive Committee of the National Bank Section and by the Federal Legislative Committee. Some members favored and some were opposed to such a measure, and inasmuch as the Association itself has not given expression to an opinion on this subject, it was deemed best not to either approve or oppose the passage of the amendment. You are aware that this provision was eliminated from H. R. 13391. A great many bankers believe that if Branch Banks can be established by an indirect method, that some provisions should be made for them to establish Branches by a direct method. The Association should give expression to its wishes in this respect, and if the decision is in opposition to the establishment of Branch Banks, then the National Bank Act should be so amended as to prevent the absorption by National Banks of State Banks having Branches.

Probably the most important accomplishment during the year has been the passage of the Bills of Lading Act, known as the Pomerene Bill S. 19, which was signed by the President on August 29th. For eleven years our Association has been consistently working for a Federal Law which would give validity to Bills of Lading as instruments of credit, and in six successive Congress Bills have been introduced to that end. The Pomerene Bill makes criminally liable the person who forges a Bill of Lading, and the agent who issues a bill that does not represent goods. This is a much needed reform. No punishment whatever, was hitherto provided for such criminals under Federal Law. The measure will promote the Interstate and Foreign Commerce of the country by making Bills of Lading inherently safe. The Bill is especially advantageous to the small shipper, as the Bill of Lading will now have a commercial value as a credit instrument, that it has not enjoyed in the past, and Banks will more readily make advances on Bills of Lading drafts. In the 62nd and 63rd Congresses the Pomerene Bill, which



had behind it, not only our Association, but the American Bar Association, the United States Chamber of Commerce, and allied Shippers organization, passed the Senate, but failed in the House. The successful result in the present Congress has been due to the combined efforts of all these organizations in impressing upon the House, which heretofore proved the stumbling block, the great importance of this measure in the promotion of our Interstate and Foreign commerce. In this connection, great credit is due Secretary McAdoo and Dr. C. E. McGuire, Assistant Secretary General of the International High Commission, who have exploited the measure in South America: in fact, submitted a Spanish translation of the law to the International High Commission at Buenos Ayres in April, 1916. The Commission adopted resolutions advocating the adoption of similar laws, using this measure as the basis. The International High Commission referred to is a body of twenty National Sections, each of which consists of nine jurists of financiers with the Minister of Finance (in the United States the Secretary of the Treasury) as Chairman. The Commission was organized in the summer of 1915, as the result of the recommendation of the first Pan American Financial Conference, held in Washington May 24-29, 1915. The Commission aims to "adjust and harmonize the principles and procedure of commercial law and administrative regulations in the American Republics, and to seek a satisfactory solution for such legal problems as present themselves in the fields of banking and public finance."

Secretary McAdoo and Dr. McGuire have in addition been warm advocates of the Bill before the Senate Committee. Credit is also due to Mr. Charles S. Haight, representing the United States Chamber of Commerce—to Mr. Francis B. James, representing the American Bar Association, and to Mr. Guy M. Freer of the Cincinnati Chamber of Commerce, President of the National Industrial Traffic League, for valuable efforts in behalf of the measure. Our own share in the work, through our Federal Legislative Council and this Committee, has been in the bringing of arguments to bear upon individual members of Congress as well as in personal appeals at Washington. The thanks of this Association are due to Senator Atlee Pomerene, who introduced the measure and secured its passage by the Senate, and when the Interstate and Foreign Commerce Committee of the House delayed in giving consideration to the measure, the Senator arranged for a public audience on April 12th at the White House. A delegation of shippers and bankers, and members of The American Bar Association, and Chamber of Commerce of the United States, was received by President Wilson, and addresses were made on behalf of the measure by representatives of different organizations, including the Chairman of our Committee. On the following day an all day hearing was given by the House Committee to the delegation, and a series of hearings were subsequently held, as a result of which the Bill was favorably reported, with a few amendments on June 24th. It was passed by the House on August 9th—the Senate concurred in the House amendment on August 18th, and the signature of the Bill by the President makes the law an accomplished fact. By its provisions it takes effect on January first next.

The potent influence of our Association as an adviser of National legislation in the interest of trade and commerce is illustrated by a piece of constructive legislation originating with this Association, which has become law at this session of Congress as an amendment of Section 25 of the Federal Reserve Act signed by the President on September 7, 1916. This amendment is designed to facilitate foreign trade through national banks by adding provisions permitting the investment by National Banks in the stock of banks or corporations engaged in foreign trade. It originated in a conference of our Committee with the Executive Committee of the National Bank Section, following which there was framed and presented to the Federal Reserve Board the amendment proposed. The Federal Reserve Board favored the amendment and recommended it to the Committees on Banking and Currency of the House and Senate. It was included with certain other amendments of the Federal Reserve Act agreed upon by those Committees and by House and Senate, and has now become law. This measure is known as H. R. 13391. In this connection it is interesting to note a resolution adopted by the International High Commission:

"Resolved, That the International High Commission recommend to the American Government the adoption of such measures as will place the Banks of each country, wherever possible, in a position to extend their activities abroad, to establish branches on terms of reciprocity, and to facilitate the granting of credit to the trade and industries of other countries of the continent.

"Resolved, further, That the International High Commission recommend to the institutions of credit of each country the adoption of such measures as are indispensable for the establishment of relations with these institutions in other American States, subject to their laws and on terms of reciprocity."

In connection with the enforcement by the Federal Reserve Board of the provisions of the Federal Reserve Act authorizing par collections, the Chairman of our Committee visited St. Louis and participated in a conference of country bankers relative to this subject. At the suggestion of the Administrative Committee of this Association, our Committee has in charge the matter of urging an amendment to the Federal Reserve Act which will eliminate par collections and provide for reasonable charges.

At the suggestion of the Executive Committees of the National Bank and Clearing House Sections, our Committee has deferred action on this proposed measure until after the Kansas City Convention, when there will be an opportunity to further discuss the subject. In the meantime Congressman Kitchen has introduced a Bill to amend the Federal Reserve Act, having this purpose in view.

In connection with Rural Credit Legislation, which has culminated in the passage of the Federal Farm Loan Act, our Committee from the inception of such legislation, followed the large number of Bills introduced on the subject, and was successful in securing the elimination of certain objectionable features from the Act as finally passed. The functions of our Committee have extended to examining and discussing a large number of Bills upon a variety of subjects of Federal Legislation, objectionable and otherwise, and determining what, if any action, should be taken thereon. It will serve no useful purpose to detail the subjects of all these Bills.

During the year our Committee have held a number of special meetings, in which the legislative situation has been thoroughly canvassed.

Initial meetings were held in Washington on January 19th and 20th, on which occasion interviews were had with individual Congressmen upon particular measures. A conference was also held with a Federal Reserve Board at this time. On this occasion also a joint meeting was held with the Executive Committee of the National Bank Section with regard to certain measures affecting National Banks, and a joint conference of both Committees was held with the Board of Governors of the Federal Reserve Banks, at which a number of subjects affecting National Banks were discussed.

At the spring meeting of the Executive Council at Briarcliff, a special meeting of our Committee was held, and also a joint meeting with the Federal Legislative Council. During the interim between meetings, the method of communication between members of the Committee on Federal Legislation and the Federal Legislative Council, has been by printed confidential Bulletin, referring to the subjects of legislation of more pressing importance, and by telegraphic communication on matters of special urgency, supplemented by a large mail correspondence. Both the Chairman of the Committee and General Counsel of the Association, who has acted as its Secretary, have visited Washington on a number of occasions in connection with its work.

In closing this report it is fitting that special recognition be made of the service of Mr. H. H. McKee, of Washington, D. C., member of our Executive Council, and of the Federal Legislative Council for the District of Columbia. Mr. McKee has given daily of his time in watching and reporting upon the development of Bills in which our Association is interested, in personally interviewing members of the Senate and House, and in aiding and guiding our Committee by his valuable advice as to the proper course of procedure at critical times. His intelligent grasp of the matters entrusted to his care and judgment provided an inspiration to those associated with him in the work. His services have been invaluable.

This report would not be complete did it not bear testimony to the splendid services rendered by Mr. Thomas B. Paton, General Counsel of the Association, and Secretary of our Committee.

He has been tireless in the discharge of his duties, and our success is due in no small degree to his counsel and advice.

In conclusion your Chairman extends his sincere thanks to the members of the Federal Legislative Committee, Federal Legislative Council, and the members of the various organizations in each State, who have given so generously of their time and ability during the past year, at the same time expressing the hope that the Federal Legislative Council will be continued, and that the organization in all of its ramifications will be fully perfected, which will insure a continuation of the results which have been accomplished during the past year.

We are submitting herewith, without reading, a summary of legislation which has received the attention of the Federal Legislative Committee for the past year.

Respectfully submitted—

Committee  
Federal Legislative

J. H. MASON, Vice-President, Commercial Trust Co., Philadelphia, Pa.  
J. H. FULTON, President, Commercial National Bank, New Orleans, La.  
JAMES B. HOGE, President, Union Savings and Trust Co., Seattle, Wash.  
J. W. PERRY, President, Southwest National Bank of Commerce, Kansas City, Mo.  
S. A. SADD, President, Chattanooga Savings Bank, Chattanooga, Tenn.  
CHARLES A. HINSCH, President Fifth-Third National Bank, Cincinnati, Ohio,  
Chairman.

#### Report of Law Committee (Committee on State Legislation)

By amendment of the Constitution adopted by this Convention, the name of our Committee has been changed from the Committee on Law to the Committee on State Legislation. Aside from the special duties imposed upon our Committee from time to time by the Executive Council or the General Convention, its chief function is to give consideration to State statutes affecting the business of the members as well as the subjects of uniform laws and commercial usage and to recommend from time to time drafts of new statutes for the approval of the Association and urge the enactment of such approved drafts through State organizations. Only eleven states have held regular sessions of their legislatures during 1916 namely:

#### MEETINGS OF STATE LEGISLATURES

Georgia, convened June 28; Kentucky, convened January 4th; Louisiana, convened May 8; Maryland, convened January 5th; Massachusetts, convened January 5; Mississippi, convened January 4th; New Jersey, convened January 11th; New York, convened January 5th; Rhode Island, convened January 4th; South Carolina, convened January 11th; Virginia, convened January 12th.

#### UNIFORM NEGOTIABLE INSTRUMENTS ACT

We are gratified to report that the legislature of Mississippi has, this year, passed the Uniform Negotiable Instruments Act which leaves only four states which have not yet enacted the law, Maine, Georgia, California and Texas.

#### PUNISHING THE GIVING OF CHECKS WITHOUT FUNDS

The legislature of Mississippi also passed the law recommended by our Association which punishes the giving of checks or drafts without funds. The legislature, however, modified our recommended form of law by making it a condition to conviction that money or something of value must be obtained upon the check; that the check must be presented by the payee or holder within 30 days from its date and a further modification permits the drawer to pay the check within 10 days after receipt of written notice of its non-payment, upon which he escapes the penal consequences of the act.

The legislature of Rhode Island has also passed our recommended law punishing the person who issues a check without funds, but changed it by provision to the effect that if the maker deposits with the drawee the amount due on the overdraft within 7 days after he receives notice that it has not been paid, this will relieve him.

UNIFORM STOCK TRANSFER ACT

The legislature of New Jersey this year passed the Uniform Stock Transfer Act.

The above are the only measures recommended by this Association which have been passed this year. Other legislation of interest to banks has been enacted during the present year in the different states, as follows:

NEW GEORGIA LAWS

Georgia. The legislature passed an acceptance act and a usury act. The acceptance act authorizes banks and trust companies to accept drafts and bills of exchange drawn on them by their customers having not more than six months sight to run and to issue letters of credit authorizing the drawing of such drafts and bills of exchange with a proviso that no letter of credit or acceptance shall be issued by any bank or trust company in the State of Georgia except against marketable collateral, to be specified in the face of such acceptance or letter of credit. The usury act repeals the old usury law under which a person or corporation taking usury forfeited the excess of interest and which also avoided all titles to property made as a part of an usurious contract or to evade the usury laws and substitutes a penalty of forfeiture of the entire interest and a provision that no further penalty should be suffered.

NEW LAWS IN KENTUCKY

In Kentucky, the 12th day of February of each year has been made a legal holiday to be known as Lincoln Day. The law relating to state depositories has been amended by the addition of a provision that national banks assigned as depositories, having a combined capital and surplus of \$50,000 or over, shall not be subject to the examination provided. A law also has been passed to prohibit the declaring of bank dividends until the surplus equals 10 per cent. of capital.

NEW LAWS IN LOUISIANA

In Louisiana a law has been passed authorizing banks to forward checks direct to the drawee which, under the judicial law is negligence. Other laws have been passed as follows, by the Louisiana Legislature:

Amending Act 179, of 1902, regulating Associations and savings banks.

Amending Section 5, Act 45, of 1902 relating to reserves of savings, safe deposit and trust banks.

Amending Sections 1 and 6, Act 193 of 1910 relating to the number and qualification of directors of banks, savings banks and trust companies and the borrowing by officers of such banks.

To require officers and employees of trust companies to furnish surety bonds.

Amending Section 2, Act 112, of 1910 creating a state banking fund. Amending Section 5, Act 198, of 1898 regulating powers and duties of state bank examiners.

NEW LAWS IN MASSACHUSETTS

In Massachusetts an act was passed to empower trust companies to accept drafts and bills and issue letters of credit, constituting Chapter 189 General Laws 1916.

Also an act amending Section 17 of Chapter 219 Laws 1913 to permit deposit of trust funds in trust companies incorporated under state laws, constituting chapter 101 General Laws of 1916.

Also a law to limit and provide for increase in capital stock of trust companies, constituting chapter 37 General Laws 1916. Also a law requiring savings banks to pay certain unclaimed deposits to the Treasurer and Receiver General, constituting chapter 198 General Laws 1916.

The Legislature of Massachusetts passed an act making January 1 a legal holiday. Constituting chapter 104 General Laws 1916. A further act was passed which gives the bank commissioner the same power over savings and loan associations as over savings banks. Chapter 26, General Laws 1916.

An act was also passed imposing a tax upon incomes. Chapter 269 General Laws 1916.

A law was passed to permit the appointment of national banks as trustees, administrators, executors. This however, was vetoed by the Governor and the veto was sustained.

NEW LAWS IN MISSISSIPPI

The legislature of Mississippi passed the following laws with reference to banks:

Chapter 97 Laws 1916, the Blue Sky Law.

Chapter 103 Laws 1916. Prohibits liquor shipments into the state and makes it unlawful for banks to collect or pay drafts having attached a bill of lading or order covering intoxicating liquors.

Chapter 125 Laws 1916. Declares Thanksgiving Day a legal holiday for all public schools in the state after proclamation of the Governor setting apart a day to be observed as Thanksgiving Day.

Chapter 207 amends sections 15, 19, 23, 34, 35, 38, 39, 56 and 59 of the Banking Law of 1914.

An act to authorize the incorporation and operation of farm loan banks was vetoed by the Governor and the veto was sustained.

NEW LAWS IN NEW JERSEY

In New Jersey the following laws of interest to banks were passed:

Chapter No. 46 Laws 1916 amends section 1 of the Banking Law by adding the following proviso: "Provided, however, that with the approval of the Commissioner of Banking and Insurance, any corporation organized under the act entitled 'an act concerning trust companies (revision of 1899),' approved March 24, 1899, to take effect and continue the business of any bank heretofore organized under this act, or under special charter, or any existing national bank, may use the word 'bank' or 'banking' as part of its corporate title."

Chapter 123, Laws of 1916 provides: "Any depository subject to withdrawal, by check or demand draft, shall pay any check or demand draft drawn by any person who has funds on deposit to meet the same, notwithstanding the death of such drawer in the interval of time between the drawing of such check or demand draft and its presentation for payment, providing such presentation shall be made within ten days after the date of such check or demand draft."

NEW LAWS IN RHODE ISLAND

In Rhode Island an act has been passed taxing interest-bearing deposits in national banks on participation or deposited in the same manner as in savings banks, constituting chapter 1359 Laws 1916. This tax on savings and participation accounts in national banks follows closely the Vermont and Connecticut laws except as to rate of taxation.

SOUTH CAROLINA USURY LAW AMENDED

In South Carolina a law has been passed amending the usury law by adding a new section reading as follows:

"No lender shall be charged with usury under the preceding sections by reason of money paid or agreed to be paid others by the borrower in order to obtain a loan where the lender never took nor contracted to take more than lawful interest; provided, however, that suit may be brought within six months from the date of such transaction against such other persons as may have charged excessive fees or excessive commissions and recovery may be had thereon for the excess over and above a reasonable fee or reasonable commission." No. 534 Acts of 1916.

NEW LAWS IN VIRGINIA

In Virginia, the act of 1914 relative to trust companies and banks doing a trust business was amended by omitting the requirement that the word "trust" or "Trusts" shall be a part of the corporate name of a bank desiring to do a trust business.

A law was also passed authorizing a bank or trust company to accept for payment at a future date drafts drawn upon it by its customers and to issue letters of credit authorizing the holders to draw drafts upon it or upon its correspondents at sight or on time not exceeding one year, with a proviso that the total of such drafts so accepted or letters of credit so issued for any one person, firm or corporation shall not at any time exceed 10% of the capital and surplus of the accepting or issuing bank or trust company. Constitutes Chapter 298 Laws 1916.

The interest law was also amended by authorizing banks to "charge a minimum loan or discount fee of 50 cents on loans or discounts for thirty days or more."

OKLAHOMA FIXES LEGAL RATE OF INTEREST

In Oklahoma at a special session of the Legislature an act was passed fixing the legal rate of interest at 6% and the contract rate at 10%.

CORNELIUS A. PUGSLEY,  
Chairman.

Annual Report of the Protective Department, L. W. Gammon, Manager.

New York, N. Y., Sept. 1, 1916.

During the period covered by this report there has been no marked increase in the number of crimes committed against members of the Association other than could be expected in proportion to the large increase in the membership.

ARRESTS

For the period from August 1, 1915, up to and including August 31, 1916, I beg to report as to operations against criminals, as follows:

Total cases not disposed of arrested prior to August 1, 1915...	108
Total arrests since August 1, 1915.....	428
	536
Convicted .....	307
Released, escaped, insane and died.....	116 423
Awaiting trial .....	113

Since August 1, 1915, up to and including August 31, 1916, there have been burglaries and attempted burglaries on members, and similar crimes on non-members, as follows:

	Members	Non-Members
Alabama .....	1	2
Arkansas .....	1	2
California .....	2	1
Colorado .....		2
Georgia .....	1	
Idaho .....	2	
Illinois .....	2	8
Indiana .....		2
Iowa .....		2
Kansas .....	1	4
Michigan .....	1	1
Mississippi .....	1	
Missouri .....	2	3
Nebraska .....		1
New Mexico .....	1	
New York.....	2	
North Dakota.....		4
Ohio .....	2	1
Oklahoma .....	5	6
South Carolina.....	1	
South Dakota.....		1
Texas .....		1
Washington .....	1	1
Wisconsin .....		1

Of the 26 attacks on members, 7 were successful burglaries, 19 unsuccessful.

Of the 43 attacks on non-members, 27 were successful burglaries, 16 unsuccessful.

The loss sustained by members in connection with burglaries was \$7,754.03; while the loss sustained by non-members amounted to \$60,242.30.

There have been 35 hold-ups on members with a loss of \$65,821.93, also nine sneak thefts with a loss of \$26,511.34.

During the same period there have been 40 hold-ups on non-members with a loss of \$68,229.56; also two sneak thefts with a loss of \$2,148.00.



Our members, as a rule, report all attacks on them, also the exact loss, while on the other hand, non-members rarely report attacks on them, with the result that we do not obtain a record of some of these attacks or losses.

The following figures show the reported and attempted burglaries on banks since the inauguration of the protective feature, so far as known:

Non-Members .....	1539	Loss .....	\$2,190,438.72
Members .....	451	Loss .....	266,801.20
Difference .....	1088		\$1,923,637.52

## CORRESPONDENCE

During the period from August 1, 1915, up to August 31, 1916, the Protective Department has received 36,741 reports and other communications from our detective agents. The department has also received 1034 letters and telegrams, and written 2497 letters and telegrams. These figures do not include circular letters and similar communications.

## PHOTOGRAPHS

The department now has 4720 photographs of criminals, comprising burglars, hold-up men, sneak thieves, forgers and bogus check operators, with a complete record of each.

## OFFICES OF OUR DETECTIVE AGENTS

The William J. Burns International Detective Agency, Inc., now have twenty-three offices of their own in this country, as follows: Birmingham, Alabama; Los Angeles and San Francisco, California; Denver, Colorado; Chicago, Illinois; New Orleans, Louisiana; Baltimore, Maryland; Boston, Massachusetts; Detroit, Michigan; Minneapolis and St. Paul, Minnesota; Kansas City and St. Louis, Missouri; Buffalo and New York City, New York; Cleveland, Ohio; Portland, Oregon; Philadelphia and Pittsburgh, Pennsylvania; Providence, Rhode Island; Houston, Texas; Seattle and Spokane, Washington; and one correspondent at Des Moines, Iowa. They also have three special representatives, C. E. Sears, c/o Hotel Albert, Jacksonville, Florida; P. R. Schumacher, 601 Young Street, Dallas, Texas; and Wm. Duffy, 407 East Broadway, Salt Lake City, Utah. They also have offices of their own in London, England, and Montreal, Canada.

## INSPECTION TOUR

During the fiscal year I made a personal inspection of the Burns offices at Spokane, Chicago, Kansas City, Baltimore and Philadelphia.

I also attended the convention of the Oklahoma Bankers Association in May last, and made a personal tour in that state with the manager of the Kansas City office by going over the ground where the numerous hold-ups had taken place, with a view of becoming personally acquainted with the situation there. I am pleased to report that the operations of the hold-up men in that State have been practically broken up owing to the number of arrests as the results of the co-operation of the various state and county officials, the vigorous prosecution on the part of the district attorneys, and the severe sentences imposed by the various judges.

## SUGGESTIONS

A large part of our troubles are due to the carelessness on the part of the banks in permitting customers to use funds represented in uncollected checks, and I believe this practice should be discontinued.

Another trouble is caused by members allowing checks to be left on their counters, not alone pads of checks on their own institution, but also pads of checks of other institutions in the same locality. I would suggest that no bank leave any checks on its counters, unless such checks be printed across the face in large type, "Counter Check," that is, to be used for withdrawing funds from the particular bank wherein the check is used. I would also suggest that banks in trying to accommodate their customers who desire to withdraw funds from other banks, have printed a form of check on which the customers are required to fill in the name of the bank on which they desire to draw, and have same placed in charge of a teller, to be handed out only on request. By following these suggestions it would not only save the banks a large amount of money, but also save this Association the cost of making investigations in cases which come as a result of these practices.

## DETAILED REPORT

For more detailed information relative to individual cases and the work accomplished, I respectfully refer you to the monthly *Journal-Bulletin*, Section Two, which gives a detailed account of what is being performed each month in connection with the work of the Protective Department.

I wish at this time to thank the Federal, state, county and local authorities throughout the United States for their co-operation, for they have aided this department very materially in the investigation of cases during the fiscal year.

L. W. GAMMON,  
Manager.

### Report of the Agricultural Commission by the Chairman, B. F. Harris, President, First National Bank, Champaign, Illinois

Member of the American Bankers' Association:

It is not known to all of you that the Agricultural Commission is not provided for by our constitution, but that it was created by the convention, therefore, it must report to you and only lives from year to year at your will.

The chief activity of the Commission is its publication of *The Banker-Farmer* in addition to the very large and extensive correspondence it carries on with state associations and individual banks throughout the entire country.

The expenditures of the Commission for the year just ended, including thirteen months' expenses in several lines was \$10,081.05 while the total receipts were \$10,469.94.

The American Bankers' Association gave us an appropriation of \$4600, of which we have on hand \$442.54, while individual banks and state associations paid us \$5869.94. In other words, of twelve months' expense 65½ per cent. came from outside sources and the net cost to this association for twelve months was \$3837.46.

We are charging state associations that subscribe for *The Banker-Farmer* 12½ cents per member per year and we sell it to in-

dividual banks in quantities at \$1.25 per hundred copies. If we advance these prices 30 per cent. which would still be below cost we would increase our net income \$1500 and reduce the expense to this association by an equal amount.

Twenty-three state associations—a gain of five during the year—almost every agricultural state of prominence except Iowa, Indiana and Missouri, are getting *The Banker-Farmer*. These three splendid states ought to come to us—the price is trivial though a financial loss to us.

397,982 copies of *The Banker-Farmer* were printed this year of which 180,000 copies went to state association members while 217,982 copies were purchased and paid for by individuals and banks.

A statement in detail of every single item with receipted voucher is in the hands of your General Secretary, and its summary attached hereto.

Not one cent of expense money has ever been used by the chairman or any member of this Commission except in attendance on the annual May meeting where certain expenses are paid for all your officials as provided in your by-laws. Your Commissioners have all done more or less traveling in connection with the work but not at the expense of this association.

During the three years since the publication of *The Banker-Farmer* was instituted more than a million and a quarter copies—twenty-three million pages—have been distributed throughout the nation, carrying the message of the bankers' living interest in agriculture and the public welfare. If you have followed the column, "What They Say" on the back page of each issue you can form some meager idea of the impression made on others.

It seems clear that, as a result of the present and growing upheaval and readjustments in international and national economic and trade conditions, and the severe competition to follow, it is our bounden and patriotic as well as selfish duty to inform ourselves and co-operate with the public generally, to the same end, by broadening the scope of *The Banker-Farmer* to include an all-American, non-partisan discussion of our foreign trade, shipping, tariff and fiscal, as well as our manufacturing and agricultural needs.

Foreign bankers lead in such work, which is another reason why they lead in many other respects. The policy of Mr. Vanderlip's great bank in its comprehensive literature and constructive efforts in this direction should be applauded and emulated.

Several members of this Commission and the chairman have had many calls to go out and address various meetings in behalf of the cause and it has been a matter of regret to all of us that we had to forego so many interesting and urgent invitations.

A very sincere and concrete evidence of the bankers interest in the banker-farmer work, lies in the fact that the various state agricultural committee chairmen are so alive and constructive in their work which has been so much appreciated that almost invariably they have been elected to the presidency of their several state associations.

We cannot close without urging every bank to take up at once the matter of distributing a number of copies of *The Banker-Farmer* each month among its clients. It is the cheapest advertising of which we know and almost, without exception, every bank undertaking it continues and increases its orders. Several hundred copies monthly are even purchased by Canadian banks to use in this way.

Very respectfully submitted,

B. F. HARRIS,  
Chairman.

### Report of the Library and Reference Department

MARIAN R. GLENN, Librarian.

Five years ago the Library Department was only an idea in the mind of the General Secretary.

The need of such a reference service to Association members was obvious, but no action was taken until Secretary Farnsworth created the department in October, 1911. At that time no special appropriation existed, and the facilities for developing the service consisted only of a few books, some unbound periodicals, and a trained librarian.

There now exists at headquarters, a department requiring a staff of four assistants to collect, care for and supply the information requested by bankers. Three rooms are used as working quarters for the cataloging, the reference work, and the mail order feature known as the "traveling package library" service, which supplies current banking and business information to Association members.

The original book collection of less than 400 volumes has been increased to nearly 3,000, of which only about 700 have been purchased. Where there were only a few unused magazines five years ago, there is now a row of vertical filing cases, containing nearly 40,000 articles, addresses, pamphlets, pictures and clippings, mounted and classified according to the hundreds of financial subjects which they cover. Information which, five years ago, was unavailable to bankers except at great expense of time and money is now easily supplied from the more than 30,000 card index entries which have been made to periodicals, books, reports and proceedings.

A noteworthy feature of the Library is the clipping records which are kept of controversial subjects connected with money and banking. From no other financial library can there be so readily obtained a resume of such events, for instance, as the money trust investigation, the postal savings bank controversy, currency reform debates, the Riggs Bank case, and the development of the Federal reserve system and the regional banks.

For the first four years, the Library was without a definite policy, other than that of supplying Association members, and occasionally the press, and economists, with the current information requested. In 1915 the Librarian suggested that, since the Library was maintained by the national organization of American bankers, it should become responsible for keeping as complete a record as possible of American experience in monetary and banking systems.

The need of some library assuming the function of a central source of such information, is emphasized by the amount of pamphlet and document material wasted yearly by member banks, and the difficulty of securing facts regarding early phases of American banking experience

which would be of current value in the analysis and interpretation of the trend of economic events.

Since the Association Library is specializing in practical banking, rather than economic theory or investment data, it seems a more logical center than other financial libraries for the collection of information on American banking experience, and its daily index of all articles and items of importance in financial periodicals, constitutes a fairly complete record of present events and conditions in American banking.

The Librarian suggests, for the consideration of the incoming Library Committee, the problem of how the Library shall acquire that background of previous American experience in money and banking which it should possess, or to which it should have access, if it is to fulfill its function as the representative American financial library. There are several important private collections which will eventually be available for purchase, and which properly belong at Association headquarters. Financial provision should be made which will secure an option upon at least one of these collections, or permit the purchase of portions of other collections as they come into the market.

In the opinion of the present Librarian, it will not be advisable to emphasize the historical as fully as the current features of the Library, but, since it is keeping more complete current records than any library of its kind, it is obvious that its future historical function in connection with banking, business, and economics, must be adequately provided for by making its resources as complete as possible now. Each year adds to the value of the Library's card index records and its special collections of pamphlets on certain subjects, but its usefulness can be increased by reaching an early decision as to whether the Library shall attempt to complete its resources by purchasing special collections, or whether it shall begin the compilation of a central card catalog of financial information in other libraries throughout the country.

The Library's most immediate problem is always that of advertising its services to Association members. While the Library is now loaning eight times as much material as in its second year, and bankers in all but three states borrowed data or requested information during the past year, the department still has undeveloped possibilities for service which the international activities of American bankers will increase during the coming year.

Since the last report, 536 books have been added; 2,907 pamphlets; 11,400 clippings; 460 pictures; 216 advertisements, and 9,836 card index records; while 16,000 items have been loaned. In addition to the reference correspondence and the answering of requests at the Library and by telephone, a list of subjects covered by the package library service has been published in pamphlet form; a purchasing list of books for bank libraries and a thrift bibliography for the Savings Bank Centennial have been compiled; a check-list of periodicals and annuals in New York financial libraries has been made; a canvass of libraries has been carried on by correspondence in an effort to secure financial pamphlet literature; and the Library has distributed hundreds of current pamphlets to Association members.

MARIAN R. GLENN,  
Librarian.

#### Report of the Treasurer, E. M. Wing

LA CROSSE, WIS., Sept. 13, 1916.

To the Members of the Executive Council and the American Bankers Association:

The cash balance in the hands of the Treasurer, August 14, 1915, was \$36,097.75. The balance on hand September 1, 1916, was \$32,264.22. During the year the receipts have been \$264,780.46 and the disbursements \$268,613.99.

On September 1st the drafts for membership dues were sent out, 15,471 in number, amounting to \$246,055, an increase of \$10,250 over last year, and 775 in number.

While the income of the Association shows a large increase, the expenses are increasing even more rapidly, and this year for the first time in some years, will exceed the income of the Association.

The surplus funds of the Association are invested as follows. The securities, under the control of the Executive Council, are held in the Bankers Trust Company of New York as follows:

	Carried On			Cost
	Par Value	Books At	Market Value	
Chicago, Burlington and Quincy, Ill. Division, 4's due 1949.....	\$50,000.00	\$47,400.00	\$47,000.00	\$50,843.75
Chicago, Burlington and Quincy, Joint 4's due 1921....	12,000.00	11,600.00	11,730.00	11,559.09
Atchison, Topeka and Santa Fe, General Mortgage 4's due 1905....	30,000.00	28,500.00	27,750.00	30,825.00
New York City Corporation, Registered 3½'s due 1940 .....	30,000.00	26,500.00	27,675.00	25,506.67
	\$122,000.00	\$114,000.00	\$114,155.00	\$118,734.51

Respectfully submitted,

E. M. WING,  
Treasurer.

#### Report of the Committee on Insurance

Your Committee on Insurance begs to report that its work for the last twelve months has included many forms of activity from which satisfactory results are being obtained. Among these are the compilation of a blanket bond, continued introduction of all copyright forms to the member banks, investigation of claims, assistance in the settlement of claims, collection of data at the direction of the Executive Council and furnishing member banks information and assistance on a multitude of insurance subjects.

##### BANKERS' BLANKET BOND

There has been a great demand from many of the banks of this country for a form of insurance covering fidelity and burglary as well as forgery, sneak-theft, misplacement or destruction of money

or securities and other losses not heretofore included in the insurance forms offered by American insurance companies.

Certain underwriters, representing Lloyds' groups, of London, England, have, for a number of years, offered American banks a blanket bond, undertaking to cover losses due to dishonesty of officers and employees, burglary, hold-up and other losses referred to above. In an effort to meet this demand we conferred early last year with various insurance companies, looking toward some arrangement whereby the American companies could meet the Lloyds' competition under a form of bankers' blanket bond, that would meet the approval of this committee, retain in this country large sums of insurance premiums that are now going abroad and eliminate possible litigations in the collection of claims, which might arise by reason of the fact that Lloyds' underwriters are not licensed to transact business in the United States. During a period of twelve months four forms of blanket bonds were compiled by insurance companies and submitted for the approval of your committee, each form being an improvement over the former, but none of them coming up to our requirements.

We are happy to report to you, however, that within a few days after the May council meeting, one of the leading insurance companies of New York made further concessions, which enabled this committee to approve the form offered, and most of the insurance companies have promptly followed, so that a very satisfactory form of blanket bond has been available to the banks for the last four months, a copy of which is hereto attached and made a part of this report. The history of this new policy, together with a list of its principal advantages, will be found in the July issue of the Journal of the American Bankers' Association. In purchasing this policy, the banks are cautioned to see that they are furnished with the form bearing the printed approval of this committee under date of June 8th, 1916. The introduction of this blanket form of insurance by American insurance companies marks an epoch in insurance underwriting, but your committee is of the opinion that continued co-operation with the insurance companies will make available to a larger number of banks this attractive form of insurance.

##### ADJUSTMENT OF CLAIMS

Your committee has found a wide field for service in assisting in the adjustment of claims of the banks against various insurance companies. Through the co-operation of the protective department of the Association we are furnished with a prompt report of all burglary, robberies and hold-up attacks made against member banks, which reports are immediately followed up by us by correspondence directly with the bank. Last year we investigated seventy-one cases involving total claims of \$107,276.11. Of this amount \$43,272.02 was not collectible under the terms of the policies carried. In the majority of cases, settlement is satisfactorily made by the insurance companies within the terms of the insurance contract in force at the time of the loss, and in such cases your committee can only obtain and preserve a record which becomes invaluable both as to determining the losses of member banks and more particularly for the information and guidance of your committee in eliminating dangerous restrictions from insurance contracts. In such cases, however, where appeal is made by the banks to this committee for aid we have been able to exercise a most satisfactory influence for better and more liberal settlements in spite of the failure of the claimant bank to have secured the best available form of insurance.

It will undoubtedly be of interest to refer to at least one of these cases for the purpose of bringing to your attention both the value of this Association's service to its member banks and the possible intimate relation of the solvency of the bank to the character of its insurance. Last April the protective department referred to this committee a hold-up loss of approximately \$17,000, occurring in one of the member banks. The bank advised this committee in reply to its inquiry that the loss exceeded the surplus of the bank—that the insurance company had denied liability under its policy and that unless some adjustment could be made, inevitable embarrassment to the bank would follow. Upon investigation, we found that the bank held an old form of insurance contract provided by the company itself in which was contained under the schedule of equipment a warranty to the effect that all money in excess of \$5,000 would be kept locked in a safe under at least one combination lock when not more than one man was in charge of the bank. The robbers entered the bank quietly in the middle of the day and waited until all employees but one had gone to lunch. The safe was not locked and the robbers were able to get away with about all of the money in the bank. The insurance company's denial of liability was based upon the failure of the bank to observe the warranties as set forth in the policy.

Your committee after several conferences with the insurance company obtained a compromise settlement under which the bank received approximately one-half of its loss. The insurance company attempted no evasion of its exact legal liabilities as set forth in the contract existing between itself and the bank. The insurance company received this committee with every possible courtesy and finally made settlement far beyond the technical restrictions laid down in its policy. The copyright burglary policy of the American Bankers' Association does not contain any warranties, and had our policy been purchased by this bank at the same cost, the loss would have been fully covered.

##### PUBLICITY

Your committee has not only undertaken the compilation of improved forms of burglary policy, fidelity bonds and blanket bonds and the investigation of burglary and robbery claims, but has further taken every means possible to bring the service of this committee to the attention of the member banks. The columns of the Journal of the Association have been used, many copies of our annual reports have been distributed, 25,000 copies of the warning cards have been gotten out with the assistance of the state associations and interested banks, and the correspondence of your committee has grown to approximately 3,000 letters in the last twelve months. Requests for information, opinions and other character of insurance service are being continually received in increasing numbers and our replies are bringing the most satisfactory and complimentary acknowledgments.

For the information of the membership generally, it should be repeated that the Association has provided this Committee with a Secretary who is an able insurance expert, without whose services it could not accomplish any important results in its consideration of a business so highly technical as that of insurance. Your committee desires to express publicly its appreciation of the services rendered by its Secretary. Acknowledgment is also made of the hearty co-operation of the officers and other committees of the Association and the Secretaries of the state associations.

##### GENERAL

The Committee should continue to compile data which will enable it to get accurate statistics in reference to proportion of losses to premiums paid. When complete data is secured, it will be invaluable to members. The improved policy forms have already greatly reduced the cost in that our members are now getting more for their money than ever before.

Conditions change rapidly in the business of insurance, and new problems are continually confronting your committee. The banks of the country expend annually more than four million dollars for various forms of insurance protection, the validity of which is the most serious import to them, and your committee cannot too strongly emphasize the need for continuous and expert attention to the subject by this Association.

Just as the protective sign of the Association guards member banks, just as the moral influence of bank supervision conduces to better conduct of the business of banking, so the continued activities of your insurance department are exerting a wide and growing influence for the better upon all insurance interests having relations with the banks of the country, at a cost to the Association of twenty-five cents per member per annum.

Respectfully submitted,  
OLIVER J. SANDS, Chairman.



# Detailed Report of Proceedings.

FORTY-SECOND ANNUAL CONVENTION, HELD AT KANSAS CITY, SEPT. 28-29, 1916

## FIRST DAY'S PROCEEDINGS.

### MORNING SESSION,

Thursday, September 28, 1916.

JAMES K. LYNCH, President, presiding.

FREDERICK E. FARNSWORTH, General Secretary

Convention Hall, Kansas City, Mo.

The President called the meeting to order at 10 o'clock A. M.

Invocation was said by the Rev. George H. Combs.

THE PRESIDENT: The Honorable George H. Edwards, Mayor of Kansas City, will deliver an address of welcome.

### Address of Welcome by George H. Edwards, Mayor of Kansas City

Mr. President, Members of the American Bankers' Association, Ladies and Gentlemen:

On behalf of Kansas City, I want to extend to your Association, Mr. President, a hearty welcome to our city.

I suppose that this week we have had more wealthy men in our town than we have ever had here before, and we kind of like the feeling. We would like to have you people stay as long as you can. We would like to have you come back as soon as you can. If it is possible for you to do so, we would invite you to stay until our tax assessor can get each one of you on his roll (Laughter), and we would like to have you to be sure to come back in time to pay the taxes.

We are building a great city here at the Junction of the Kansas and Missouri River, and it has not been an easy task. The site of Kansas City was perhaps as forbidding for the building of the city, as any that you could find, far or near. Where our great buildings stand were high rocky bluffs. Where our streets are were deep ravines. Those bluffs had to be leveled down, and these ravines had to be filled, and it was at the cost of tremendous energy, and the expenditure of great sums of money that this was brought about.

The men who have made Kansas City, had plenty of courage, they had plenty of foresight; they had plenty of energy, but they lacked in capital; and I want to say to you, Mr. President, that the banks of Kansas City in that respect are very largely responsible for our rapid growth. We could not have in the time that we have taken built such a city as we have here, regardless of the fact that we have a tremendous territory back of us, rich in agricultural products, rich in mineral products, with oil and gas in plenty, we could not have, as I say, even with these resources built such a city as we have built in the short time that we have consumed in accomplishing this, without the help of our friends the bankers; and I know that each merchant in town; I know that all our inhabitants realize the part that these banks have had in this work.

We feel that we have a great city here. We feel that we have really a great city, but we are not content. We have ambitions, and without endeavoring to discourage any of our sister cities, I might say that we hope to be, and we expect to be the third greatest city in the United States.

We will not be satisfied when we have accomplished this purpose, but we feel that we are making progress.

Today, Kansas City, greater Kansas City—and you know our town lies in two states, though it is really one community. Kansas City just across the street from Kansas City, Missouri. Our interests are common, our business is common. Our bank clearings in Kansas City, Missouri, are made up to a considerable extent of industries located in Kansas City, Kansas, and I say that this community has a population of something like 450,000 people.

We are first with a winter wheat market. We are first as a hay market. We are first as a yellow pine market. We are first as a market for agricultural implements, of all the cities in the United States. We are second as a primary grain market. We are second as a live stock market. We are second as a packing center. We are sixth in bank clearings part of the time, and part of the time we are fifth. I do not want our friends from St. Louis to take any exception to this, but I am merely stating facts. (Laughter.) We are tenth in the value of factory products. We have over 1,200 factories, with an annual output of over \$300,000,000.

You have seen something of our park and boulevard system. You have seen something of our residence districts. You have seen something of our downtown retail district, so I will not speak of those things; they speak for themselves.

We have here an assessed value of property for taxation purposes of \$210,000,000, that is in Kansas City, Missouri, alone. We tax on a basis of from 33½ to 40 per cent, so that our real value is something over \$525,000,000, and our total net indebtedness is \$5,200,000. In other words, our indebtedness is less than one per cent of our net worth.

We are a young city. Fifty years ago, the first passenger train entered Kansas City. Today, we are second as a railway center; but while we feel that we have accomplished much in a material way, I for one feel that we have been lacking in some respects; and I feel that our lack is that which is common to business men, to men who are absorbed in their individual business, and especially to bankers; and I am going to say something about what I conceive to be the shortcomings of your fraternity, as well as of other business men.

For many years, Mr. President, I have been taking advice from bankers, and I can say to you that it is with a great deal of satisfaction that I have an opportunity to offer a little advice to you men. (Laughter.)

I feel very strongly that the banker and the business man is inclined to take too lightly, his responsibilities as an American citizen. If your city councils are made up of war dealers; if your state legislatures and your houses of Congress have demagogues and grafters in them—and I do not believe, Mr. President, that there is nearly as many of that sort of people in public life as some newspapers would lead us to believe—but if your Congress and your legislatures and your city councils are filled not with men who are crooks, but even with men whose education and whose experience does not fit them to discharge the duties of those offices, to the good of the whole people, you, Mr. President, and people like you, are alone to blame, and that condition will not be remedied until the business man and the banker realizes that he owes to the commonwealth, something more than the running of his business in an economical and profitable way. You cannot get away from these responsibilities, and if you do continue to try to get away from them, that lack will very materially decrease your power to earn money.

True, there are notable exceptions to the rule that business men and bankers do not give of their time and effort to the good of the commonwealth. Leland Stanford of California was a banker, yet he founded Stanford University. Stephen Gerard of Philadelphia was a banker, and he founded Gerard College. Lyman Gage, one of your former Presidents, was a banker, and he served his country acceptably in the Cabinet.

Here in Kansas City we have had numerous instances of bankers sacrificing their time and their money for the good of the city. Mr. E. F. Swinney of the First National Bank, has devoted considerable time to the Board of Education work. He has also served the City as a member of the Hospital and Health Board. George W. Fuller, of the Fidelity Savings Trust Company, is now, and has been once before, a member of our Park Board, and it is largely due to his efforts, and to the efforts of the men associated with him, that we have such a park system as we have here today. Granville M. Smith is giving of his time to the City as a member of the Civil Service Board, a most undesirable job. But these men are the exceptions. The ordinary run of business men and bankers are content if they can handle their business in a way to bring them profits, and take care of their customers.

It is true also that many of you people will subscribe to campaign funds and, sometimes, by so doing you make things worse than they would have been had you not so subscribed.

What we need, my friends, is not only your money in politics, but we need your personality. We need your brains; and until such time as you can give of your personality, of your time, of your experience and of your brains to the political affairs, politics will be run as they have been run.

This week, I have been playing some golf with some of these bankers. I can remember the time here when we were glad to get money at eight per cent. You people are certainly developing into a kind of benevolent society. Recently, we have been able to get money at six per cent, and sometimes at five per cent, and these men to whom I have been talking this week, are talking of four per cent, and I would not be surprised if before long we could get it as low as three per cent, and the time may come when you bankers will offer your customers money without interest, as an inducement to hold their business. (Laughter.)

Now, Mr. President, that there may be no misunderstanding, we want to extend to you again our most hearty welcome. We are glad to have you with us. We want to do everything that we can to make your stay here pleasant and profitable. We will go any lengths. We will even go so far, Mr. President, as to furnish you with a President for the coming year from Kansas City, and I want to say to you that if you elect Peter Goebel, as President of this Association for the coming year, Kansas City will guarantee that you and we will never regret your coming to us for this meeting.

THE PRESIDENT: I will now introduce Mr. J. W. Perry, the President of the Kansas City Clearing House Association, who will add something to the Mayor's words of welcome.

Mr. J. W. Perry (Kansas City Clearing House Association): Mr. President and Members, Ladies and Gentlemen: It is a great pleasure to me, on behalf of the Clearing House banks of Kansas City, to welcome the membership of the American Bankers Association to our City.

From listening to the words of our Mayor, you would think that we were already the second city in the country, and I hope that sometime we may be; but the bankers of Kansas City are not making claim to anything to which we are not justly entitled.

We invited you here because we wanted you, because we like you, because we want to feel that we have an interest in your work, and that you have an interest in our work, as well as in our City, and we hope that your stay here will be altogether profitable and pleasant.

It is somewhat of an undertaking for a city of our size, to entertain the membership of the American Bankers Association.

Our facilities for entertainment are not all that we would

like to have, but gentlemen, what we lack in facilities, and what we lack in natural resources, we are making up to the best of our ability, with our good will and our endeavors on your behalf.

Since your coming here, the expression has been made from time to time that you were quite satisfied with our efforts, but I want to tell you something about the men who have been responsible for this work. Mr. George Hobby, of the Interstate National Bank, is the Chairman of the Entertainment Committee, and we leave it to you to judge of his efforts in that respect.

Your convenience in hotel accommodations has been provided for and looked after by Mr. Menefee of the Commerce Trust Company, the good roads that you have traveled over in our cities, and some of them are darn bad, and in our country, have been looked after by Mr. William T. Kemper, and Mr. George W. Fuller, members of our Committee.

The Ladies' Entertainment Committee, of which Mrs. Perry is Chairman, has also been well looked after by Mrs. E. F. Swinney, in charge of the luncheons at the clubs of our City, and by Mrs. George W. Fuller, looking after some this afternoon in some of our Kansas City homes.

We regret very much, gentlemen, that we have not been able to invite you to the clubs and to the homes, but we took a solemn promise in inviting this convention here, that we would do nothing in an entertaining way that would detract in any way from the sessions of this convention, and we are going to keep the faith.

Now, Mr. Chairman, rather than burden you with the remarks that I have expected to make, I am going to ask that the few remarks that I want to make for the record be handled as you see fit, and in conclusion, I want to say to every man, woman and child that have been the guests of our city, that the Kansas City Bankers welcome you heartily, and we hope that your deliberations may be such as will bring credit to you and very great pleasure to us.

Gentlemen, the banking business at this time is confronted with problems that never before confronted the American banker.

The devastating war that is going on abroad, the wealth that is piling up in our country, such as was never had in any country in the world, is going to be a problem, and you and I as bankers are going to have to solve these difficulties; they are difficulties. No country was ever surfeited with wealth such as we have. No country was ever put into possession of wealth so rapidly as we now are getting it, and you and I are laying up problems for the future; and we just as well may make up our minds now as hereafter, that you and I as individuals, and you and I as bankers are going to have to pay the price.

I hope, gentlemen, that this price will not be such a price as is being paid by our brothers across the sea, but it is going to be paid, and you and I had just as well start in now to help to solve these problems, and it is one of the great satisfactions in having you here that the American bankers will at this convention plan well for the future.

I would regret it as long as I lived, if after the war is over, the American banker was confronted with problems that he is not able to handle, and I believe that with our new Federal Bank Law and with our business as well organized as it is today, we need have no fear for the future, if we are just as conservative as I think you are, and will be hereafter.

Mr. Chairman, again I want to say to you that we welcome you to our city, not only on your own account, but, gentlemen, we have a pride in having one of our number, Mr. P. W. Goebel, a candidate for your presidency, and if he is elected, as our Mayor has said, we are going to guarantee to you the efforts of one of the biggest and best men ever produced in this part of the world. (Applause.)

#### Address of Welcome of J. W. Perry, Pres't Kansas City Clearing House Association

One year ago this month, in the city of Seattle, it was my privilege, in behalf of the Banking Interests of Greater Kansas City, to extend to the membership of the American Bankers Association, a cordial invitation to hold their Forty-second Annual Convention in our city. We were *sincere* in our invitation and we are now delighted with your presence, and glad of the opportunity to welcome you in the true Kansas City spirit. Joining us in this invitation, were the bankers of the great states of *Missouri, Kansas and Oklahoma*, and in their behalf, also, we extend to you a hearty welcome. The comfort, convenience and pleasure of each of our guests shall be our every thought while you are with us.

The history of your Association is closely linked with banking events in our own state and many men prominent in your councils have been among our most successful bankers. It was our privilege this very week, twenty-seven years ago, to entertain the American Bankers Association, with one of our *own* state bankers, Hon. Charles Parsons, of St. Louis, as president. We sincerely hope that many of those present at that time are with us today, and if here, they will be the best judges of the real progress made by your Association and by our city as well.

From these hills, an illustrious Missouri statesman, Thos. H. Benton, looked out over what he declared to be the greatest agricultural empire on earth, and according to the late James J. Hill, *here* will be builded one of the great cities of modern times.

It is a wonderful privilege to grow up in, and have a part in building such a city as Kansas City. It is here that an honest effort, if well directed, can have its reward; and here also that opportunity is knocking at the door of young America. Some of our success and prosperity may be accounted for by the fact that Kansas City is surrounded by the greatest area of good agricultural land to be found anywhere on earth. We reap not alone from the soil, but from the depths of the earth, which yield to us treasures in oil and mineral. Since the day John C. Fremont set out toward the land of the setting sun, we have been receiving tribute from and supplying the needs of a vast extent of territory to the West of us; and through this, the gate-way to the Southwest, there continues to flow a traffic that will make this one of the great commercial centers of the country.

We are glad indeed that our friends from the *East* can be with us today; we are grateful to many of them for assistance in the past, for no growing community such as this can be properly developed without assistance both in men and money from older and richer states. By drawing on the East for these essentials, in years past, we have been able to make rapid progress, and to the East we now express our gratitude. With such undeveloped resources as lie about us, we have been able to attract a very desirable class of people, and we have also been able to interest capital in abundance for our needs. To our friends in the South and West, we are rendering the same assistance we have received from our friends in the East in years past, and as the East has prospered through our development, so we have prospered as development of the South and East has taken place.

While we of America may be separated by a vast expanse of territory, yet we are closely tied by bonds of kinship and by ties of business, and all must acknowledge a marvelous pride and love for the land we call "Our Country." We believe this to be the *time and place* to discuss the many important problems that now confront us as a nation. Wonderful opportunities in business have been pressed upon us in the last three years, and an accumulation of wealth such as never was known in the history of the world is ours. With this great storehouse of wealth, and the employment of all our resources, in labor and commerce, we must of necessity have been gathering problems for the future. When world conditions have changed, when we are no longer able to employ all our commercial resources in profitable foreign trade, when we must seek markets and trade under peaceful conditions, and when the gold of the world shall flow out to pay the wages of millions of men in peaceful pursuits instead of in war, then it will be that a steady financial policy, both governmental and commercial, will be needed. These changed conditions must come, and when they do, it may well behoove us as bankers to have our house in order; for the greater part of the wealth of the world outside of America will have been either destroyed or mortgaged for generations to come. No man here present will live to see the day when the accumulating war debt of the warring nations of Europe will be paid, and it is only on a false hypothesis that we congratulate ourselves over the present prosperity of our country, had at the terrible cost and distress existing abroad. And we may as well make up our minds now that we will have to help pay the price. It may not come to us in such severe form as it is now coming to our friends across the sea, but it must and will come in some way.

Therefore, gentlemen, let us consider well the signs of the times, and so build our house of finance that the breakers will not fall too heavily on our shores. Situated as we are, so far from the scenes of war, and not being engaged in the manufacture and sale of war supplies to any great extent, we believe this to be a fitting place and an opportune time to plan well the work ahead of the American banker. Not alone are we influenced by conditions abroad. Our own country has conditions, political and financial, to be solved. Such a mass of legislation, Governmental, State and Municipal, as was never thought of before, is being enacted, and the banking business is getting its full share of attention. I am, therefore, led to believe that this is a most important time in American finance and may your deliberations here begun, be of a character that will protect the interests of your members wherever situated.

The Associated banks of Greater Kansas City have only one purpose for the present, and that is to see that you, our guests, enjoy your stay. To this end, we shall endeavor to supply a pleasant and hospitable entertainment. In this effort, we shall have with us the Commercial Club of Kansas City, and every citizen. We are all really glad to see you. Your membership is of such a democratic character and the purpose of your association so fraught with high ideals, that it is a pleasure to us to have you with us, and we feel that Kansas City will be much benefited by this closer acquaintance. We extend to you all a cordial welcome.

#### Reply to Address of Welcome, by Pres't James K. Lynch

THE PRESIDENT: Mr. Edwards, the Mayor of Kansas City, and Mr. Perry, the President of the Kansas City Clearing House Association, Gentlemen of the Convention: I have been asked to say a few words in response to the addresses of welcome that have just been made to us.

I regret that I am not more competent to do it, more competent to express the thanks that we feel at the manner in which we have been received.

For over forty years the American Bankers Association has been meeting in different parts of the country, usually at the Atlantic seaboard or near there, but some of the meetings have been on the Pacific and some on the Gulf of Mexico. Last year we met in the extreme Northwest of this country, and now we are assembled in the heart of the continent, in Kansas City, the city nearest to the geographical center of the United States.

I come from a state that produces oil and wine, nuts and raisins, fruits and flowers, the salads and desserts of



our National Banquet; but the beef and the bread are produced here in Kansas City—in the vicinity of Kansas City, the granary and the cattle market of America.

Our meetings are held for the purpose of mutual instruction, of education, if you please; but I think that we all realize that we learn more from the enlarged view that we obtain of our country from the opportunities of seeing this splendid heritage that has been handed down to us than we do from addresses and speeches, no matter how carefully they may be prepared; and so I congratulate you on meeting in this city, that represents, as it does, the solid and substantial elements in our everyday fields.

As far back as the time that I studied geography,—and that was some years ago—I recall that the State of Missouri was the center of the lead and zinc industries. Recently oil has been developed, and you have in the minerals, as well as in the food stuffs, a substantial—the necessary everyday elements of our prosperity.

It did not need the gracious words of welcome which we have received to assure us that your citizens are giving us more than their time and their money, that they are giving us that gift without which all others are as nothing,—that they are giving us themselves; and in reply to the excuse or apology, perhaps, given by Mr. Perry, I wish to say that in no city that I have attended a convention have things been more perfectly adjusted than they are here. Mr. Perry, if you already occupied the position which perhaps some day you are destined to attain, the first city in the United States, you could not do better as regards those essentials than you have done today, and on behalf of the bankers of America I thank you.

#### Annual Address of the President, James K. Lynch

Following the language of the Constitution, it is my duty to make to you a formal report, "summarizing the general condition of the Association." For statistical information, I shall refer you to the reports of the other officers of the Association and to the report of the Executive Council. You will be pleased to note that there has been a substantial gain in membership since the last Convention, and that we now have 16,016 members. When we consider that the total number of banks in the country is about 28,000, and that of the non-member banks a considerable number are savings banks affiliated with national banks holding memberships, this is a very satisfactory showing. There are, however, many banks not now members that would derive substantial benefits from the Association, which they in turn would strengthen and assist in the work of raising the standard of banking. Let me ask all of you to urge such banks to join.

Immediately following the Seattle Convention, the National Bank Section was organized and during its existence of less than one year, has demonstrated its value. Of the Sections authorized by your by-laws, the State Bank Section is the only one yet to be organized, and there is no reason why the work should not be undertaken at an early date.

The policy of dividing the work of the American Bankers Association into Sections has been fully vindicated. Through this means special problems affecting particular lines of business are discussed by those most interested, while the Sections have learned to co-ordinate their work with that of the Association. Through the better understanding which comes with time, there is no doubt that the small differences necessarily arising will be adjusted and that the various parts of the machinery will work together in harmony.

The Trust Company Section is the oldest of the Association Sections. It is thoroughly organized and it has done much important work in shaping the growth of this new branch of banking.

The Savings Bank Section has undertaken and is carrying out a special campaign on the subject of thrift, always a timely topic but particularly so this year, as it is the centennial of the establishment of savings banks in this country. The work has been characterized by a high order of ability and must have a good effect even on a people so extravagant as our own. It is to be hoped that this campaign will be continued and that the material furnished by the Association will be used by the savings banks throughout the country. It is only by long and persistent effort that results can be secured when dealing with a subject not in accord with the present disposition of the people.

The Clearing House Section has been the means of co-ordinating the activities of the loosely organized clearing houses in the different states. Its great achievement is the numerical system, by which numbers are substituted for names of banks and adding machine records and letters are made possible.

The State Secretaries Section keeps the state associations in touch with each other and in touch with the American Bankers Association, and through its means unity of action has been secured and duplication of work avoided.

The Department of Public Relations, authorized by the Convention of 1914, has proved of especial value in securing for the bankers of America the right kind of publicity. Of the other kind, we can all agree that we have had too much, and this has been due in great measure to a certain shrinking timidity which comes over the banker when he is invited to say anything for publication. Banking is such an important matter to the people that it cannot be ignored by the newspapers, and if they are not furnished authentic information so presented as to have a news value, they cannot be blamed for printing what they can get.

The JOURNAL, which is edited by Mr. Welton, the Manager of the Department of Public Relations, has advanced from a formal announcement of the routine of the Association to a live publication, giving not only news but opinion, so presented as to be eagerly read and to be quoted by the daily papers as well as by the financial journals.

The American Institute of Banking, a Section of our Association, is so firmly established and has so thoroughly demonstrated the importance of its work, that it requires no extended notice here. The correspondence course of instruction is bringing the advantages of the Institute to the young men in the country banks, and thus greatly enlarging its usefulness. It is not too much to say that the development of banking in this country along sound and safe lines, depends more on the Institute than upon any other agency.

The Library of the Association has become the nucleus of what we may reasonably expect to be one of the great financial libraries of the world. It is already first in its collection of pamphlets on current financial topics, carefully indexed so that they form historical material of great value. Your continued and increasing financial support of this department will be money well expended.

The committees of your Executive Council have been active in prosecuting the work entrusted to them, and have worked for the Association at considerable sacrifice of their own time. Where all have done well it is perhaps invidious to select one for special mention, but the importance of the Federal Legislative Committee certainly entitles it to more than ordinary notice. I commend the report of this Committee to your particular attention. Granting that bankers have a right to be heard on every question affecting their business or relating to the financial affairs of the country, it is important that the personnel of this Committee be kept up to its present high standard of ability and efficiency.

The work of the Legislative Committee is greatly assisted and furthered by the General Counsel of the Association, who has labored most faithfully to obtain favorable action on the bills indorsed by the Committee. As this work is in addition to the routine of the department, which involves extensive research and opinions on a great variety of legal questions of interest to the members, it is obvious that his time has been fully occupied.

The Finance Committee controls and safeguards the disposition of the Association funds. Its duties are most responsible and have been well performed. The Vice-President of the Association being the Chairman of this Committee, assumes the office of President with a full understanding of Association finances.

The report of the Insurance Committee is one that you will find instructive; the efforts of this Committee have been directed toward dividing and securing the use of policies that would give greater protection to the insured, but recently they have been conducting an investigation to ascertain if the banks are not paying more than their share of the premiums on fidelity, indemnity and burglary insurance. This information, when tabulated, will be of great value and may be the means of securing a substantial reduction in the cost of insurance to the banker.

While the Protective Department has nothing spectacular to report, its work has gone on steadily making the membership sign a terror to criminals and affording an increasing measure of safety to the members of the Association. On this account, if on no other, it is becoming understood that a bank cannot afford to dispense with a membership.

The work of the Agricultural Commission, a special committee of the Association, will be presented by its retiring chairman, Mr. B. F. Harris, a man who has devoted much time and energy to what has been for him a labor of love. Mr. Joseph Hirsch, one of the active members of the Commission, will tell you something of the results accomplished in Texas and throughout the Southwest. You will be well repaid for attending the session at which these reports are read.

The Commission has been the subject of a good deal of discussion and I think of some misunderstanding, but I believe that the bankers are coming to realize that it is not an attempt to teach farmers how to farm, so much as it is a method of bringing about a better feeling between the country banker and the men and women who are his customers. The banker is himself learning things that he must know if he is to achieve success, and the farmer is learning much of the banker which places him in a light very different from that in which he is exhibited by the campaign orator. As the virgin fertility of our soils becomes exhausted, better methods of farming are essential and it is important to the banker to know these methods and to see that his customers are employing them. Above all, this movement makes for the proper development of our resources and is a step toward the organization of our people in a better citizenship.

I take this opportunity of thanking the officials and employees of the Association, as well as the members of the Executive Council, for cordial support and for much assistance and many courtesies extended to me. All have labored conscientiously for the advancement of the Association. General Secretary Farnsworth is entitled to particular credit, as it is on him that the guidance and development of the Association principally depends. The combination of good qualities which has enabled him to secure such a decided success is rarely met with.

Without doubt, the most important subject before the bankers of America is the Federal Reserve Act, and the operation of the twelve Federal reserve banks organized under this Act. When these banks began business, the financial storm which had swept over the country in August, 1914, had subsided, and since then there has been no real need for the facilities which they afford. Banks in the principal cities could hardly be expected to rediscount paper at rates above those at which they could loan their funds; nor had they reason for doing so while deposits poured in on them in an apparently ceaseless deluge. The country banks rediscounted to a moderate extent, but more as an experiment than from need; their requirements could, in fact, have been easily cared for by their established correspondents. An exception to this statement must be noted in the case of the three reserve banks located in the South and Southwest, where, on account of special problems growing out of the financing of the cotton crop, these banks have found a strong demand for their services.

Criticism of the reserve banks has come from different sources; the banks in the financial centers object to the absorption by the reserve banks of the supply of bank acceptances, one of the few open market operations permitted to them; the small banks in the more remote districts complain that the requirements for eligible paper are too strict; and the member banks generally protest against an enforced investment which carries no immediate prospect of dividends, and on reserve deposits on which no interest is paid. To all of the objectors we may say—Wait! The conditions which have existed for two years

past are abnormal and furnish no evidence of what the Federal reserve system can do. In one sense, the reserve banks have not been in operation, and yet if we but stop to consider, they have accomplished many things.

Bank acceptances were for the first time made possible by the Federal Reserve Act, and these most important credit instruments are rapidly coming into use in connection with the import and export of merchandise. When there is more demand for rediscounts, the reserve banks will not monopolize the acceptance market, but it is the use of these acceptances that makes an international discount market possible and gives us a place in the financial affairs of the world.

The dollar credit is making its way in South America and in the Orient, and I do not doubt that its use will persist, particularly as it is reinforced by a discount market which we can hope will be as open as the London market has always been. Prior to the passage of the Federal Reserve Act, national banks could issue credits, but these credits had to be addressed to foreign banks, usually to banks located in London and to a lesser degree, to banks in Paris and Hamburg; the reason for this procedure being that national banks were forbidden by law to accept drafts other than those drawn at sight. These banks had no actual warrant for issuing the credits, but did so on the assumption that, not being expressly forbidden, it was included in their general banking powers.

Now the power to issue the credits and to accept drafts drawn under them, is definitely granted by law and is no longer open to question. Under the provisions of the Act our banks are empowered to establish branches in foreign countries, and several branches have already been started in South America and in the Orient. One very large bank is about to open branches in Russia, and we may hope that we are really started on the business of international banking. Neither foreign nor domestic trade goes by favor, and it is only by providing ships to carry the goods and banks to transmit the credit, that we can hope to retain the business of the more undeveloped countries.

The Federal reserve banks are gradually concentrating the stock of gold which heretofore has been almost useless, because scattered. In the hands of those banks it will be a firm basis for a note issue which will take care of any demands for currency that panic conditions may produce. We all know how futile it has been to attempt to meet extraordinary demands by paying out gold, and we know how banks have competed with each other to secure gold, drawing it from centers where it would be of some use to outposts where it was valueless. It is obvious that we have overworked the word "reserve." Gold is the only true reserve, for it pays debts in any civilized country and under any conditions. Under ordinary circumstances, balances carried with corresponding banks form a convenient method of paying our debts to depositors, so such balances have been called reserves though they cannot properly be so designated. Balances with the Federal reserve banks are now legally entitled to be called reserves and yet they fall short in the final test—availability in all countries and at all times. These balances will liquidate deposits in our own country, so we may ask why the notes of the reserve banks cannot be counted—if not as "reserve" at least as cash. In estimating the ability of a bank to meet extraordinary demands we can certainly add to its gold, not only Federal reserve notes, but national bank notes, which paper might be given a special designation such as "cash means." In a country where such an immense volume of credit is transferred by checks, subject to immediate payment and cancellation, it is perhaps unnecessary to demand the summary extinguishment of the bank note. At any rate it has not been possible to retire our bank notes with the promptness theoretically demanded and it may be that the persistence of the notes marks a healthy development in our financial affairs. We may recall that at one time the check was no more than a receipt for money paid across the counter. The Aldrich-Vreeland issue of national bank notes supplied the real need and allayed the panic demands in 1914. These notes were genuine bank notes issued against commercial paper, although the method of issue was somewhat cumbersome. We cannot doubt that Federal reserve notes with which the country is already familiar will perform the same service without friction and without disturbance to business. These are great achievements to which I have so briefly referred, and they already justify the existence of the Federal reserve banks, no matter whether we support them by direct assessment or whether in earning their expenses they may at times cut into our profits.

The check collection plan is a part of this subject which touches many of us. Panics seem far away, though we should remember how quickly they arise. International finance has but little interest for the country banker, little apparent interest I should say, for to him as to all others it is vitally important that the seas be kept open for the shipment of goods, and the avenues of credit be kept clear to the end that the producer may be paid for his produce.

My sympathies are strongly with the country banker who is contemplating a loss of revenue through the operation of this portion of the Reserve Act. To my mind, it is pointless to compare the removal of exchange charges to the removal of toll gates from the highway. The transfer of funds is a service which is as much entitled to compensation when made by a bank, as it is when made by an express company or by the post office. But exchange charges on drafts sold are not forbidden, nor is a collection charge on mercantile drafts and notes interfered with; the one service which member banks are called on to perform without pay is to remit for checks drawn on themselves at par. There has been no uniformity about charges; some banks have always remitted at par for checks drawn on themselves. In some towns and even in some states, this has been the general rule, and I believe that the banks following this rule are generally the most prosperous, not always because they have remitted at par, but certainly the two things have gone together. High charges, on the other hand, have usually originated under pioneer conditions which justified them, but in too many cases the charges have continued after the conditions which made them necessary have passed. There is no place within the continental United States where a charge of one per cent. is legitimate, and yet there are places where such charges are made. Where banks have grown to depend on charges of this character for a considerable part of their income, there is obviously no room for a bank unless a complete change in policy should have the effect of building up a deposit line that would give the bank a legitimate income.

We must all recognize that improved transportation, lessened time in transit, reduced insurance and express charges, together with competition, have worked to reduce or eliminate exchange charges, and that the Reserve Act is doing no more than to hasten a process which was already well under way. If the check collection plan now published, or some modification of the plan, provides a more economical way of collecting checks than the one now in use, it will inevitably succeed. If it does no more than diminish the amount of float and cut out the roundabout methods of collection, now used to minimize charges, it will succeed, and our opposition puts us in the position of workmen objecting to labor-saving devices.

Nothing in the Federal Reserve Act, or in any other law of the land, determines the amount of free service which the banker must render to his client; that will be based in the future, as it has been in the past, on the value of the account.

The Federal Farm Loan Act which became a law in July of this year is a piece of legislation regarding which there is a wide difference of opinion. That the Act will prove workable is probable but that it contains great possibilities for evil is certain. When the government places its credit behind one class of the community, no matter how important the class may be, it is setting a precedent which is sure to be followed by demands for assistance from other classes equally worthy. In part the end sought is sociological and is in fact an effort to stem the drift of population to the cities. Lower rates of interest and greater facilities for getting into debt will not of themselves serve to accomplish this result. The men who have the most intimate experience with farm conditions generally believe that borrowing is already too easy for the farmer.

Instruction in proper methods of husbandry, improvement in living conditions and particularly improvement in facilities for social recreation will do more to keep the boys and girls on the farm than will improved methods of borrowing. Reforms of this character also tend to reduce rates of interest by the only method which can legitimately reduce them, that is, by improving the security.

For two years, the great European War has overshadowed this country and has produced the most profound effects upon our agriculture, our commerce and our industries, which disturbances have been reflected in our financial affairs and have resulted in a great increase in our bank deposits.

In his address read at the Seattle Convention in 1915, President Law made some interesting comments on the course of financial affairs during the first year of the war.

The beginning of the second year found this country accustomed to the unprecedented conditions and a new routine of business established. The extraordinary fluctuations of exchange had practically ceased, and during the year ending September 10, 1916, the extremes for sight draft on London have been from 4.66 to 4.77, with the ruling rate for a long time not far from 4.75. This very gratifying steadiness was due to a variety of causes, among which the foreign loans floated in this country were without doubt the most important. Chief among the loans extended to the warring countries are the Anglo-French loan of \$500,000,000 and the United Kingdom loan of \$250,000,000; other loans to the belligerents aggregate \$292,000,000, while loans to neutral nations in Europe, to Canada, and to Central and South American countries bring the grand total of foreign loans up to approximately \$1,625,000,000. As far as the loans to neutral nations and to Canada are concerned, this country has followed the suggestion made by Sir George Paish in 1914—that we take the place of the three great commercial countries engaged in war, and keep the wheels of industry turning in the newer countries that had hitherto looked to them for capital.

The loans made to the Allies were in a sense bookkeeping entries, for they owed us such large sums for supplies and munitions purchased in this country that there was no actual transfer of funds. At the same time the capacity of those countries to purchase here was kept up, to our own profit. It is gratifying to know that at such a crisis in the world's history, our country was able to take on a substantial share of the world's financial burden.

It is estimated that American securities owned abroad have been sold in this country in the neighborhood of two billion dollars, which amount has further liquidated debts due us from Europe. The absorption of this vast sum was at fairly steady prices, which is further evidence of the inherent soundness of our affairs.

In addition, gold has been imported to the amount of approximately \$600,000,000 and at this time the inflow of gold seems to be increasing. We may expect that as soon as the war is over and the normal imports of merchandise are resumed the excess of gold will leave us, and this will be by no means an evil. The surpluses of gold and the loaning power set free by the Federal Reserve Act together are likely to cause a credit expansion which will need careful supervision by our bankers, to the end that the corresponding contraction does not find us unprepared. The control of both the export and the import of gold should be guided by the Federal Reserve Board, which was intended to perform this function and which has the power necessary to stabilize exchange through this means.

The products of the soil have advanced in price on account of the demand from the belligerent nations, and the advance would have been still greater, were it not for our lack of shipping and the consequent increase in freights which have prevented the sale of much produce. Our shipping laws have so hampered our citizens that the carrying of our goods by water had already passed into the hands of other nations, and now they are no longer able to serve us.

It is true that every ship yard in this country is working night and day to supply the deficiency, but it will take years to overtake the demand and when the war ceases the problem of competition is still before us. Manufacturers of all kinds have prospered amazingly, on account of the varied demand which the withdrawal of millions of men from their usual avocations in Europe has thrown on this country.

It is not to boast of the prosperity which the misfortunes of others have given us, that I have recalled these facts, but rather to speak of the weaknesses which have developed. War tries the souls of men, and even a war in which we are not directly concerned has searched ours and found us wanting. We lack in national spirit, in national unity, perhaps in national nerve. We are given to boasting of our size, but when we are no longer capable of feeling pin pricks in our feet, are we not too large? For years our citizens in Mexico have been subjected to murder and the most untellable outrage, and the national



consciousness is barely aroused. Not in Mexico alone, but within our own borders as well as on the high seas, have our people on their lawful occasions been done to death while the nation has slumbered or murmured feebly in its sleep.

I am sure that Missouri is misrepresented when it is said that the middle of the country cares nothing for a navy, because it knows that even the most powerful of modern guns will not reach that far. But, seriously, is there not some truth in the jibe? Do you fully appreciate that the bombardment of San Francisco, the invasion of Texas, or the landing of a force on Long Island is also the invasion of your own state? Yet each of these events is as much a possibility as any one of the impossible things which have occurred since August, 1914.

It is easier to point out what is wrong than to tell how to remedy the wrong, but there are certain fundamentals that are so plain that none can ignore them. As a nation, we have grown rich, and have grown fat, and have grown soft, and we are today the most tempting prize under the blue canopy of heaven.

If as a nation we are sick, it is as individuals that we must supply the cure. We are ourselves to blame, not Congress, not the government, but just we Americans. Congress does not lead, but follows public opinion. First of all, we need co-operation, team work, the things that win in any line of human endeavor, and to secure this there is nothing quite so good as universal military training which arouses national feeling and national consciousness as nothing else can do. Our educators are already demanding this training as a remedy for the excessive individualism of the boys who have an exaggerated idea of their importance and of their rights, with a deficient sense of their responsibilities and their duties. As has been aptly said, it is as absurd to have some men volunteer to fight the battles of the Republic as it would be to have some men volunteer to pay the taxes. Let the burden of military service rest on all, rich and poor alike, and then it will not press unduly hard on anyone, and if war should come, it will not be the best and bravest and most generous hearted that will be first sacrificed, but each will go in his turn.

The primary purpose of a government is to provide adequate defense for the country governed, and how shamefully this purpose has been neglected under one administration after another is a familiar tale. Should our people demand that the army be disbanded and the navy scrapped, the position would be consistent, but to consent to an army pitifully inadequate and to a navy that dooms our boys to hopeless defeat and certain death is not the American way of doing. In fact, America is not awake; her people have been busy getting rich and her legislators have carried village politics into national affairs, and have busied themselves with petty improvements and meddled with the business concerns of the citizens, without a clear idea of the harm they were doing or an understanding of the world problems requiring solution. We need the industrial organization of the country, and we must in some way cause our legislators to understand that our steel mills, our railroad systems, our ship yards, our factories and our shops are to be encouraged and developed to the end that they may serve the nation. If the government finds it necessary to build an armor plant or a gun factory, it should be to supplement the private factories and not with the fatuous idea of putting any of them out of business. There is enough work for all before this country can be deemed adequately protected.

The Federal Reserve Act has made the financial organization of this country possible, and the preliminary steps to that end have already been taken. This, to my mind, is the great reason why the bankers should work with the Act and not against it; should try to make it succeed instead of pointing out defects which might cause it to fail, for in doing so, they will have not only strengthened the banking system but will have also strengthened the nation.

Here is the excuse for what may seem a digression to matters remote from banking. Every question merges into the question of finance, no matter what the activity; whether charitable or industrial, whether educational or military, the banker must find the means or the project contemplated must wait.

In the task of vitalizing the nation, the most important agency is the press, which informs, instructs, advises, admonishes the people. It ill becomes one ignorant of the difficulties encountered in collecting and distributing the news, to criticize apparent failures or deficiencies, but it is too much to ask of our papers that they take the larger view of our national affairs and help in the difficult task which is before us, and to ask of our people that they discriminate between the varying grades of ability and integrity with which the work is done?

If our people can rise to the heights of citizenship that the times demand, the work that must be done can be accomplished peacefully and in order, but if they will not learn from the bitter experience of our kin across the sea, the reformation will be worked out amid the ruin of war. High ideals and lofty purpose are but feeble defenses against invading armies, and the God of battles may have decided that other ideals than ours are to prevail.

Let us not doubt, however, that we can return to the stronger and simpler faith of our national youth, when we were poor in wealth but rich in courage. The navy that remembers Decatur and Bainbridge and Perry will again fly the starry flag on every sea, and our people, no matter how far from home, can once more say, like the Romans of old—"Civis Americanus sum" and find in the flag protection.

(PRESIDENT LYNCH, continuing:) We pride ourselves on being prompt, and yet we did not begin our meeting until thirty minutes after the appointed time.

Owing to that late start, we have not been able to conduct our program as arranged, and the hour has now arrived at which Mr. Vanderlip was to address you; and we will therefore suspend the regular order of business while he delivers his address to the Convention.

Kindly take any seats that are now vacant, coming as near to the front as possible. I will ask all delegates now to be seated and out of courtesy to our distinguished speaker I will ask that no one leave the hall or enter it after his address is

begun and until it is concluded. It is not fair to have constant disturbance by those who keep coming in late.

MR. VANDERLIP, gentlemen! (Prolonged applause.)

Here insert Mr. Vanderlip's printed address, already furnished to the Financial Press and the Association.)

### The Need of a United Nation, by Frank A. Vanderlip

[Mr. Vanderlip's address in full will be found on pages 99 to 104.]

THE PRESIDENT: Gentlemen, just one moment. I was going to propose that this convention give a vote of thanks to our distinguished speaker for the thoughtful, timely, and most philosophical address which he has just given us. Will such a motion be made?

(The motion was duly made and seconded that a rising vote of thanks be given to Mr. Vanderlip for his address. The motion carried unanimously.)

We interrupted the usual program of the business in order to hear this address. We will now take up the routine business which will be gotten through as rapidly as possible and we will then adjourn.

The report of the general secretary is next in order.

THE GENERAL SECRETARY: Mr. President, it is not my intention to read the Report of the General Secretary, which is published and you will find it in the printed report. I want to emphasize only two or three things in connection with that report and read some things that should be read to the convention.

THE PRESIDENT: Gentlemen, if you will kindly remain seated we will adjourn this meeting as rapidly as possible.

THE GENERAL SECRETARY: I want to call your attention particularly to the clause on Bills of Lading. At the convention in Washington in 1895 there was appointed a committee on Bills of Lading, said committee consisting of Mr. Louis Pearson, of New York, Chairman, and others. That committee has been working eleven years, with the result that the Bills of Lading bill has been reported out and signed by the President within the last few weeks.

I call your attention to the large increase in membership during the past year; you will find it on page 22, giving credit therein to the members of our Council and State secretaries and so forth, who have performed the largest amount of the work in that connection. I will express our thanks to all of the officials who have assisted.

It will be observed that the list of delinquents is exceedingly small, considering our large membership. The delinquents for the year were 198, the lowest in proportion to the membership in the history of the Association, with a membership of 15,000, less than the year before when the membership was 14,720 and the delinquents 216; or, in other words, with a larger membership a less number of delinquents.

Now, in regard to the membership and collection of dues, I received from the general offices this morning this telegram: "Membership 16,107"—That is an increase of 100 since the 1st of September, when our membership was 16,010.

The cash receipts in collection of dues, up to September 25th, which have been reported to New York, are \$212,660 as against a collection last year for the entire month of September of \$198,000.

I do not believe there is any organization or any other kind of organization on earth which can show so large an amount of money paid in so short a time, and so promptly, as has been paid now by the members in paying the dues of the American Bankers Association.

There is one other paragraph which I wish to read to the members.

In Memoriam. On February 15, 1916, there passed to the Great Beyond George E. Lawson, President of the Peoples State Bank of Detroit, Michigan, and member of the 1916 Class, on our Executive Council, and on our Finance Committee as well. Mr. Lawson took an active interest in the affairs of our Association and gave of his best to its interest and welfare. A man of ability, always courteous, of a genial nature, and charitable, he will be missed in our assemblings as well as by all those who knew him in his native city.

I would like to say that the Executive Committee of the Council at the May meeting passed appropriate resolutions on the death of Mr. Lawson, one of their associates.

Now, in conclusion I want particularly to call your attention to page 30, of the pamphlet of the A. B. A. containing the reports of the Association, which applies to Kansas City and this magnificent convention which we are enjoying. I will not read that because I hope that papers will publish it, but it is simply an allusion to Kansas City, and the work of the Association.

I thank you, gentlemen, and Mr. President.

MR. PETER W. GOEBEL: Mr. Chairman, in view of the fact that all the reports which are listed on the program have been printed, as part of the program, which is in the hands of every delegate, I move that they all be considered, received and filed. (The motion was duly seconded.)

### Reports of Officers and Committees

[These reports will be found on pages 122 to 130 of this publication.]

**THE PRESIDENT:** It has been moved and seconded that the printed reports of the various officers of the Association, which have been printed, be received and filed. What is your pleasure? All in favor will say aye. The motion is carried.

Now, gentlemen, before the adjournment is taken, please remember that the adjournment will be until two o'clock. We will endeavor to call the meeting to order promptly and transact the business in due order, and remember particularly that at three o'clock Mr. Joseph Chapman—our own Joe—will give you something worth listening to, so don't fail to be on hand before that time and be in your seats.

**MR. LEWIS E. PIERSON** (Chairman, Board of Directors, Irving National Bank, New York, N. Y.): May I rise to make a statement? The General Council has very kindly given certain credit for the enactment of the bill of lading measure to the initial committee of the Association. I find on page 19 in the printed program, which may escape your notice, the additional credit which should be given to the succeeding members of the various committees who acted upon that important measure, and I deem it a duty on my part to voice what I know is the gratitude of the Association here for the work of the present Federal Legislative Committee, who secured the enactment of the measure, that committee being headed by Mr. Charles A. Hinsch. (Applause.)

**THE PRESIDENT:** I am very glad indeed that that announcement was made, and there is no one from whom it comes with better grace than from Mr. Pierson, who has labored long and faithfully and intelligently for the passage of this most necessary measure, and in fact it is through his work that it has largely crystalized into the form in which it finally passed.

The next business is—

### PROPOSED AMENDMENTS TO CONSTITUTION AND BY-LAWS.

**THE GENERAL SECRETARY:** I now call attention to the proposed amendment to Article XI, sec. 1, of the Constitution. You will find these amendments on page 29 of the printed program. These amendments have been published in accordance with the conditions of the Constitution, and they have been published 30 days in advance of the Convention. The amendments were approved by the Executive Committee of the Convention, and submitted by them after the meeting on Monday, and have been approved by the Executive Council, and recommended to the Convention for their approval.

**MR. P. W. GOEBEL:** Mr. Chairman, I move the adoption of the amendment.

**THE PRESIDENT:** A motion has been made to adopt the amendment. Do you desire to have it read, or are you sufficiently familiar with that already?

**MR. GOEBEL:** Mr. Chairman, may I explain the first amendment is for the purpose of creating a committee on the library. As you will find, if you will read the report of the Librarian, the American Bankers Association is organizing and developing, and gathering together what will be eventually—at least, we hope it will—be the greatest library on financial subjects in the world. Heretofore it has been simply under the guidance of a department. It was deemed wise by the Executive Council, and at the Executive Session at Briar Cliff, last Spring, that there should be a Library Committee to look after the necessities of this department, which is growing more important every day, and for that reason the submission of this amendment to the Constitution has been suggested, which simply provides for the appointment of a Library Committee.

**THE PRESIDENT:** I must ask you to remain seated a little longer, gentlemen. This will be brief. You know Mr. Goebel very well, and he will not take up your time.

**MR. GOEBEL:** The Library Committee will be a council committee, and will not add anything to the expense of the Association.

**THE PRESIDENT:** The question is on the amendment as a whole, or on the particular one which Mr. Goebel mentioned? (Cries, "As a whole!")

**THE GENERAL SECRETARY:** There is a Committee on State and Federal Legislation. (Cries of, "Question!")

**MR. GOEBEL:** You will find Mr. Paton's note after this amendment. Heretofore we have had a Federal Legislative Committee and a Law Committee, which was somewhat confusing. The Law Committee was supposed to have charge of State legislation, to prepare uniform bills that were desired to be passed by all the States, and to be submitted to the various legislatures by the State Associations; but the name was somewhat confusing, so this is simply in place of calling it a Law Committee; hereafter it will be called the Committee on

State Legislation and to which will be referred all matters in regard to State legislation, while all Federal Legislation will be hereafter, as heretofore, handled by the Committee on Federal Legislation. These are the only amendments to the Constitution, and I think they ought to be passed or rejected now, and there are some propositions also to amend by-laws.

**MR. SMITH:** I call for the question.

**THE PRESIDENT:** All in favor of the amendments to the Constitution will signify by saying aye.

(The motion, after being seconded, was carried unanimously.)

**MR. GOEBEL:** The first proposition to amend the by-law is on page 30 at the bottom. It simply amplifies the amendment of the Constitution in regard to the Federal and State Legislative Committee. The next one is in regard to the subscription price of the Banking Journal, the journal of the American Bankers' Association.

Under the Federal Postal law, it is necessary that you must have a subscription list and a price of subscription, in order to get the benefit of second class mail matter. Heretofore the by-law said that the subscription price should be one dollar, and for each membership one dollar has been set aside, and the same subscription price has been made to outside subscribers, of whom we have some six or seven hundred. Now, the price of everything that enters into the publication of the Journal has advanced, and one dollar to outsiders does not cover the cost of the Journal that we sell to them. For that reason, the amendment of this by-law is asked so as to raise the price of the subscription to the Journal to two dollars. As far as the membership is concerned, it is simply a matter of bookkeeping, because every dollar that has been expended by the Journal must be appropriated by the Executive Council, anyway; but it will enable us to get two dollars, which will more nearly represent the cost of the Journal, from outsiders.

**MR. CHAIRMAN,** I move the adoption of these amendments to the by-laws.

(The motion was duly seconded.)

**THE PRESIDENT:** The adoption of the amendment to the by-laws has been duly made by motion, and has been seconded. Are you ready for the question? All in favor will please signify.

(The motion was carried unanimously.)

There are no communications, but the Secretary has some announcements to make.

### OLD VETERANS HONORED

**THE SECRETARY:** They are very short, and I will detain you but a moment. In 1875 at Saratoga, in July, the American Bankers Association was organized—41 years ago. One of the pioneers and I understand in fact two or three, are attending this Convention. Mr. F. T. Hardwick of Georgia attended that Convention in 1875, and he has asked me to read this notice.—It is suggested that all members here who attended the first meeting of the A. B. A. in 1875 at Saratoga are requested to leave their cards or names with the General Secretary and indicate their willingness to meet in an informal way at a modest reunion dinner at some time and place to be agreed upon.

**THE PRESIDENT:** Gentlemen, it is a very interesting communication and I hope there are some other members here, or at least in the city.

**MR. GOEBEL:** Mr. Chairman, I move that these old veterans that are here be invited to take a seat on the platform during the remaining sessions of the Convention. (Seconded.)

**THE PRESIDENT:** It has been moved and seconded, gentlemen, and all in favor will signify by saying aye.

(Motion carried unanimously.)

**THE GENERAL SECRETARY:** I have a telegram from Major Dinkins that an informal dinner will be given on Thursday, September 28, 1916, at six P. M., at the University Club, Kansas City, to which all members of the Old Guard of the A. I. B.—the American Institute of Banking, who are in attendance at this convention, are cordially invited, in order to enable us to arrange definitely for the necessary number,—please signify your acceptance promptly by signing and returning speedily the enclosed slip to Box 1018, Muehlebach Hotel. All members of the Institute are cordially invited. Signed by C. W. Allendoerfer, E. G. McWilliam, R. S. Hick, Committee.

Also a telegram from the great State of Washington,—“Congratulations from the bankers of the only State in the Union having a perfect membership. W. H. Martin, Secretary.”

I want to take exception to that remark, because we think all the 49 States have perfect memberships, but what that means is that Washington is the only State where every bank in the State is a member of the State Association. Some of them run very close, but I think Washington carries off the palm.



MR. BECKWITH: I move that Mr. Farnsworth make a fitting reply to that telegram by the authority of this Convention.

THE PRESIDENT: If there is no objection, Major Farnsworth will reply. He is a very good hand at doing such things.

MR. ALLEN: "Question!"

THE PRESIDENT: All in favor will say aye.  
(Motion duly seconded and carried.)

THE SECRETARY: I presume you all understand that all mails and telegrams not directed directly to your hotel, and so forth, the Local Committee are endeavoring to distribute the same, but at the Information Bureau at the Hotel Baltimore is quite a collection of mail.

Now, I call your attention to the meeting this afternoon of the General Nominating Committee. Those who have been nominated by the various States to place in nomination at this Convention the names of candidates for the offices of President and Vice-president will attend. It was supposed that when this announcement was made that the Convention would adjourn at the time which I think it will, but for the convenience of the Nominating Committee the meeting is called for in this building, in the second floor, where there has been a room arranged where the Nominating Committee can meet at 4:30 this afternoon. That is all, Mr. Chairman.

THE PRESIDENT: A motion to adjourn is in order and the adjournment will be until two o'clock.

(Motion duly made, seconded, and adjournment taken until two o'clock P. M.)

#### AFTERNOON SESSION

Thursday, September 28, 1916

President Lynch presiding.

THE PRESIDENT: The meeting will please come to order.

The first number on this afternoon's program is the report of the Trust Company Section. Mr. McCarter, will you please come to the platform and present that report?

#### Report of Trust Company Section

MR. U. H. McCARTER: Gentlemen of the Convention: The Trust Company Section begs herewith to report a year of increased prosperity in its growth, its membership having been increased during the year by 87 members, making a total of 1459 members. The work of the Committees has been continued during the year under trying circumstances due to the prolonged and continued illness of its Secretary, Mr. Philip S. Babcock, who by reason of such illness has been constrained to resign his position of Secretary and his place has been filled by the selection of Mr. Leroy A. Mershon, as Secretary. Mr. Babcock has served the Section for eight years and it is the unanimous hope of the members of the Section, that he may soon be restored to his usual health.

The sessions of the Section at this Convention and the meetings of the several committees have been largely attended and much interest was displayed by those so attending. The Executive Committee departed from the usual custom of having set addresses at the meeting of the Section, and the time was profitably consumed in a discussion by the members of the practical problems which they daily meet in their business.

The appropriation granted the Trust Company Section last year was \$8,075.00, while \$7,472.26 was expended and the balance, \$704.34, was returned to the general association.

The Trust Companies of the country have greatly prospered during the past year, as is evidenced by an increase of their aggregate assets during the year of \$1,300,000,000, making their total assets at the present time \$7,600,000.

The new officers of the Section are:

MR. UZAL H. McCARTER, *President*,  
MR. FRANK W. BLAIR, *Vice-President*,  
MR. JOHN W. PLATTEN, *Chairman of Executive Committee*,  
MR. LEROY A. MERSHON, *Secretary*.

Through the efforts of the Chairman of the Executive Committee and our new Secretary, a much increased activity in the Section's affairs is confidently expected this year.

Respectfully submitted,

TRUST COMPANY SECTION,

By UZAL H. McCARTER, *President*.

THE PRESIDENT: Gentlemen, you have heard the report of the Trust Company Section; a motion to receive and file is in order.

(Motion made, seconded and carried to receive and file report of Trust Company Section.)

THE PRESIDENT: The next number on our program is the report of the Savings Bank Section. The Chairman of that section not being present at this time, I will call for the report of the Clearing House Section. Is the Chairman of the Clearing House Section present,—Mr. Thralls? (No response.)

The next is the report of the American Institute of Banking Section, Mr. Robert H. Bean, President of that section.

#### Report of American Institute of Banking

MR. ROBERT H. BEAN: As our report is more or less voluminous, and has been filed with the Secretary, I would ask that as it is to be printed in the proceedings that the reading of it be omitted at this time. I would like to say that we have had the most successful year in the history of the Institute,

which now numbers some 18,000 members; and we are increasing constantly our educational forces. One feature I would like especially to bring to the attention of the Association is the Correspondence Chapter. I trust you will all be good enough to read the report when it appears in the proceedings, and especially the part to which I have just called attention, the Correspondence Chapter.

THE PRESIDENT: You have heard the report of the Chairman of the American Institute of Banking Section; a motion to receive and file the report is in order.

(Motion to that effect made, seconded and carried.)

THE PRESIDENT: Next is the report of the State Secretaries' Section. Mr. Haynes McFadden is the Chairman of that section. Is Mr. McFadden present? (No response.) We will pass, then, to the next number on the program,—the report of the National Banking Section, of which section Mr. Hyde is Chairman.

FREDERICK W. HYDE: Mr. President, and Gentlemen of the Convention: If you will bear with me I will read the entire report. It is not long. It is our first year, and we want to let you know what we have done.

#### Report of National Bank Section

During the first year of its existence this Section has rendered much valuable and constructive service to its members. Through its efforts 150 new members were added to the American Bankers' Association during the period of six months ending with September, 1916.

The Executive Committee of this Section has held six important and interesting meetings: One in the city of New York; two in Washington, and three at Briar Cliff, N. Y. These meetings covered seven days and the major part of seven nights. At the New York city meeting conferences were held with officers of the Federal Reserve Bank of that city, and at the Washington meetings conferences were held with members of the Federal Reserve Board, Governors of the Federal Reserve Banks, and the members of the Committee on Federal Legislation.

The Secretary of the Section represented the American Bankers' Association at the conventions of the Bankers' Associations of the States of Missouri, North Carolina, Ohio, Oklahoma and South Carolina; also at the meeting of the Reserve City Bankers at Detroit. The good work which he did at these various meetings and the valuable information which he gathered are detailed in written reports which he filed with the General Secretary and the Chairman and President of this Section upon his return from these meetings. He returned from one meeting with the applications of 24 banks for membership in the American Bankers' Association. The Secretary rendered most valuable service to the Association and its members at the Conference of Country Bankers held in St. Louis, June 10, 1916, and at the meeting of the Administrative Committee of that body later held at Washington, D. C.

The Section has proven of great worth in co-operating with the Committee on Federal Legislation on all proposed laws and amendments that are of interest to National Banks. Through its office and organization of Vice-Presidents in the several States it can gather data, disseminate information, and crystallize sentiment in support of corrective and constructive measures and in opposition to the passage of laws that are harmful to banks and general business interests.

The Section has given earnest consideration to and has expended much effort on the following propositions:

Foreign Banking Connections, Interlocking Directorates (Amendment to the Clayton Act), Bills of Lading, Special Bankers' Tax (Revenue Bill), Readjustment of Bank Reserves, Retirement of Greenbacks, Usury Bills, and the nation-wide Clearing Plan (Proposed Amendment to Section 16 of the Federal Reserve Act).

The Section serves as a valuable agency in adjusting matters of conflict between the Departments of the Government and the Banks. Complaints may come into the Section office which can be settled only through personal visit to the Capitol, and the individual member filing such complaint cannot afford to stand the expense of a trip to Washington, whereas a representative of the Section may handle several such cases on one trip to the Capitol.

The appropriations made for this Section at Seattle and Briarcliff aggregate \$6,050. The expenses for the year ending August 31, 1916, were \$5,416.24. The estimated expense for ensuing year is \$7,500. The Section has on hand a balance of \$633.76, and has requested the Finance Committee for an appropriation of \$6,770.

Three hundred and fifty-eight National Banks have joined the American Bankers' Association during the year. This brings the National Bank membership up to 5,813 and of this number 5,733 are bona fide members of the Section. Eighty National Banks that are members of the American Bankers' Association are not enrolled in the Section. There are 1811 National Banks that are not members of the American Bankers' Association. The Section will make all possible effort to induce these non-member banks to join during the coming year.

The Federal Reserve System is yet in the experimental stages and many changes and amendments may be necessary, and the Section can be very helpful in bringing them about.

The Section is a very useful factor in encouraging better systems, methods and practices among its members. There is a constantly increasing demand for service to the members, and we feel confident that the Section will be able to render even more valuable service during the ensuing year than has been rendered during the year now closed.

Respectfully submitted on behalf of the Section,

FREDERICK W. HYDE, *Chairman*.

THE PRESIDENT: You have heard the report of the Executive Committee of the National Bank Section. What is your pleasure?

(Moved, seconded and carried that the report be accepted and placed on file.)

THE PRESIDENT: Next is the report of the Committee on Laws.

MR. C. A. PUGSLEY: The Committee on Law has a detailed statement, and as that Committee is now specifically a Committee on State Legislation, as distinguished from the Federal Legislative Committee, I do not think it is worth while that the report be read in full. I am going to ask leave to print it in the record.

THE PRESIDENT: Gentlemen, you have heard the request and motion of Mr. Pugsley. What is your pleasure?

(Moved, seconded and carried that the report be printed in the record of the Proceedings.)

### Report of Committee on Laws

[The report of the Committee on Laws is printed on pages 127 to 128 of this publication.]

THE PRESIDENT: The next is the report of the Committee on Federal Legislation, of which Committee Mr. C. A. Hinsch is Chairman. Is Mr. Hinsch present? (No response.)

We will call then on Mr. Thralls, on behalf of the Clearing House Section, to make the report of that section.

MR. JEROME THRALLS: On behalf of the Clearing House Section, I would like to ask for leave to file their printed report with the Secretary.

THE PRESIDENT: Mr. Thralls moves that the report of the Clearing House Section be passed to print. Is there a second to the motion?

(Motion seconded and carried.)

### Report of Clearing House Section

KANSAS CITY, Mo., September 28th, 1916.

To the American Bankers' Association,

Gentlemen:

The Clearing House Section held its annual meeting on Tuesday of this week. The attendance was the largest in the history of the Section, and this fact, together with the animated and very general discussion of the topics on our program, convinces me that interest in the Clearing House Section is greater than ever before.

In addition to very able addresses and discussion of topics of interest to members, we had a conference of Clearing House Managers and Clearing House Examiners, who had been especially invited to attend this year's meeting.

About thirty managers and examiners were present. They held a separate meeting and arranged for a conference later in the year, and we believe this conference of Managers and Examiners and the organization resulting therefrom, will be of great assistance in extending the influence of the Clearing House Section.

The officers elected for the ensuing year were:

President—W. D. Vincent, Vice-President Old National Bank, Spokane, Wash.

Vice-President—John McHugh, Vice-President Mechanics' & Metals National Bank, New York City.

Secretary—Jerome Thralls.

Members of the Executive Committee:

Mr. Stoddard Jess, President First National Bank, Los Angeles, Cal.

Mr. R. F. McNally, Vice-President Mississippi Valley Trust Co., St. Louis, Mo.

During the year, the work of the Section was carried on more vigorously than ever before by our capable and energetic Secretary, Mr. Thralls.

**The Universal Numerical System:** The No-protest Symbol Plan and other methods and systems promulgated by the Section are developing rapidly.

The Clearing House Examination System and the Country Clearing House are finding new friends through the efforts of the Section.

Thirty-one cities are reporting total bank transactions. The transactions of these 31 cities for six months ending June, 1916, were \$28,471,000,000, while their bank clearings for the same period, aggregate \$11,623,000,000. Total bank transactions we believe are the only true indication of the volume of business passing through the banks, and during the coming year we hope to bring the total number of cities reporting total bank transactions up to 100.

The Section was instrumental in the organization of 22 new clearing houses during the year and we hope to bring about the organization of 100 new clearing houses during the coming year.

Our Secretary represented the American Bankers' Association and the Clearing House Section at 6 annual conventions of Bankers' Association and at various other Bankers' Meetings and in addition to advancing the propaganda of the Clearing House Section on these occasions, through his efforts, a large number of banks were induced to join the American Bankers' Association.

Only a limited number of persons including bankers, seem to realize the important part that clearing houses have played in the development of this country. Our numerous committees and state representatives have been quietly conducting a campaign of education—along the lines of co-operation on matters of common interest to the banks and general public.

We believe that next to the American Bankers' Association the clearing houses of the country wield the greatest influence for good among the banks, and every possible effort should be extended in their development.

The appropriations for the Section for the year just closed were \$5,725. The expenses were \$4,960.66, leaving a credit balance of \$764.34, which we returned to the Association.

Our estimated expenditures for the ensuing year are \$7,000.00, which amount has been requested.

MR. THRALLS: The report is signed by President Ayres.

### Report of Savings Bank Section

THE PRESIDENT: The next is the report of Savings Bank Section. I am informed that the full report of the Savings Bank Section as submitted to the Executive Council appears in the printed Proceedings of that body.

### Report of Savings Bank Section to the American Bankers Association

KANSAS CITY, Mo., Sept. 25, 1916.

Mr. President and Gentlemen:

Since the Seattle meeting, the Savings Bank Section has done much to further the interests of the American Bankers' Association and to show to the members the real value of Association membership. The Section has brought bankers together in hundreds of communities; into co-operation with each other, thereby carrying out the fundamental idea of the Association. Better relationship and team work between banks in the various communities are conducive to better banking and a greater degree of confidence on the part of the people in the banks.

Through the Nation-wide Thrift Campaign which the Section has been conducting during the past year, and the systematic organization of it, there has been effected an organization the possibilities of which are excellent in creating an efficient machine to render constructive service to the members of the Association. The public of the United States has perhaps heard more of the American Bankers' Association during the past year through the effort which we have made to promote thrift than at any other time. The result of our work is vast. This has been evidenced by the number of letters received from bankers and from communities respecting the good accomplished in those communities by the propaganda conducted by the Section.

More than 100,000 pieces of mail have been sent out from the office during the past year, and since the Spring Meeting over 5,000 letters have been received.

Nine hundred and thirty-nine new members have been enrolled since the Seattle meeting, twenty-seven more than the combined total number enrolled for 1913, 1914 and 1915. There are enrolled as members of the Section at the present time 3,533 banks of all classes.

The past year's appropriation to the Section's work amounted to \$13,888.25, inclusive of \$3,500 appropriated at the Spring Meeting. There were miscellaneous receipts of \$45.96, making the total credits \$13,934.21. The expenditures for the year aggregated \$13,542.34, leaving a credit balance of \$391.87.

Our Law and Segregation Committee has been on constant watch for Federal legislation affecting the interests of savings banks. It is the desire of that committee to promote the establishment of savings departments in commercial banks and trust companies throughout the United States. If this is not done, the inevitable law of supply and demand will call for the creation of other kinds of institutions for savings. In this respect, it is planned to publish a pamphlet detailing the organization of a savings department, suggested forms to be used, etc.

The Special Committee on Postal Savings Legislation has kept in touch with the activities of the postal savings system, and when it has been necessary, owing to the aggressiveness of such system, they have brought complaint to the attention of the Director of Postal Savings.

The Secretary has visited forty-three cities in the past year and has given forty-four addresses with respect to the thrift campaign and other subjects pertaining to the banking business. He has represented the Association at the following state bankers' conventions: New York Savings Bank Association, and Maryland, Virginia, South Carolina and Colorado Bankers' Associations.

The detail work in the Section office has been well organized and proper system is maintained.

It is with appreciation that the Section acknowledges the support it has received from the Executive Council, the Administrative Committee and other Sections of the Association, particularly the American Institute of Banking, which has been of splendid service in promoting the thrift campaign throughout the country.

Respectfully submitted,

N. F. HAWLEY, President.

THE PRESIDENT: What is your pleasure in connection with this report? You have heard the statement and the suggestion.

(Moved, seconded and carried that the report be received and filed.)

THE PRESIDENT: The next is the State Secretaries' Section. Is the representative of that Section here at this time? Is Mr. McFadden present? (No response.)

THE GENERAL SECRETARY: There are a number of telegrams here and I will call the names and deliver them to those who respond. (Telegrams distributed.)

(The General Secretary Continuing:) Here is a telegram which is addressed to the President from John Clausen, President of the San Francisco Chapter of the American Institute of Banking:

"San Francisco, Cal., Sept. 25, 1916.

"JAMES K. LYNCH,

"President, Convention Headquarters,

"American Bankers' Association,

"Kansas City, Mo.

"One thousand and fifty members extend greetings and desire to express spirit of hearty co-operation with parent association in its important deliberations which so markedly affect policies of Institute. Appreciating necessity making education-bank-man paramount and real factor for higher spheres his vocation. Our aim has been to obtain best results in collaboration with University of California, feel-



ing confident with true effort our part subject matter will be brought within a world that is practical. Commercial law, banking and finance outlined by Institute are interlinked with accounting, English, French and Spanish. Members responding with regular attendance approximating six hundred. Bi-monthly lectures from prominent successful business men also arranged, dealing directly with topics of practical business value. San Francisco Chapter voices sincere good wishes successful convention corresponding to lofty motives which inspired its inception.

"(Signed) JOHN CLAUSEN."

THE PRESIDENT: Is Mr. McFadden of the State Secretaries' Section in the room? (No response.) If not, we will pass that by and I will call on Mr. Hinsch, Chairman of the Committee on Federal Legislation, to give his report.

#### Report of Committee on Federal Legislation

[We print the report of this Committee on pages 126 to 127.]

MR. HAWES: I think it is fitting, sir, that a report of such importance, showing as it does, results for the good of the whole financial community, be acted upon not in the routine way; that a resolution of thanks be given to the Committee, and especially to its Chairman, Mr. Hinsch, for the great work the Federal Legislative Committee has done, and that his report's recommendations be carried out, and a word of thanks be sent to Senator Pomerene for the passage of that magnificent Act.

THE PRESIDENT: You have heard the motion made by Mr. Hawes of Missouri. Is there a second?

(Motion seconded by Mr. Downing.)

THE PRESIDENT: Is there any discussion?

(Cries of "Question!")

THE PRESIDENT: All in favor of such resolution say aye; opposed, no. It is carried unanimously.

THE PRESIDENT: Mr. Hinsch has another communication he would like to read.

MR. HINSCH: Our Committee had a hurried meeting yesterday afternoon, and our Committee recommends the adoption of the foregoing resolution, modified so as to provide that the requested hearing be given the Committee on Federal Legislation, acting in conjunction with the representatives of the Savings Bank Section, and of such other section or sections as may desire to be heard upon the subject.

THE PRESIDENT: Gentlemen, that is an important subject and an important resolution. It cannot be considered except by consent of the Convention, under our Constitution. It has not been submitted in time to have it considered at the Committee of Resolutions, is it your pleasure to consider it at this meeting? I call on Mr. Edwards.

MR. EDWARDS: Representing the section from which the resolution, or preamble emanated, I would move you that consent be given to the consideration at this time.

THE PRESIDENT: Mr. Edwards moves that the Convention consider the resolution at this time.

MR. HINSCH: I second that motion, Mr. Chairman.

THE PRESIDENT: The motion is seconded. Do you desire to discuss the question. If not, I will call the question. All those in favor of considering the resolution will signify by saying aye.

(Motion carried unanimously.)

The Convention has decided to consider the resolution. Do you wish any discussion on the subject matter of the resolution.

MR. HINSCH: I move that the recommendation made by the Federal Committee be concurred in. (Cries of "Read the recommendation.")

(Here the Secretary again read the recommendation.)

THE PRESIDENT: Gentlemen, are you ready for the question? The motion was made by Mr. Edwards to pass the resolution as offered as the resolution of the Convention. All the favor will say aye.

(The motion was carried unanimously.)

THE PRESIDENT: Before taking up the next business in order, I will announce the appointment of the customary Committee on Resolutions. These resolutions are merely resolutions of thanks to our hosts, and those who are responsible for the splendid entertainment which we have received and are receiving. I will appoint Mr. Smythe, Chairman, President, New York State Bankers' Association. Mr. P. C. Hill of San Francisco. Mr. Charles H. Bender of Grand Rapids, Michigan. Captain James Dinkins of Louisiana.

Those gentlemen can meet at a convenient time and present the resolutions tomorrow afternoon.

We will now have the pleasure of hearing an address by Mr. Joseph Chapman of Minneapolis.

#### "Co-operation" by Joseph Chapman

[Mr. Chapman's address is printed on pages 104 to 105.]

THE PRESIDENT: Mr. Nathan Adams, the Chairman of the Conference of Country Bankers, has a resolution which he desires to put.

#### RESOLUTION CONCERNING PAR COLLECTION OF CHECKS

MR. NATHAN ADAMS: (Reading.)

WHEREAS, The purposes of the Federal Reserve Act are to mobilize the reserves and to unify the National Banking System, thereby providing an elastic currency and a system of re-discounts, and

WHEREAS, The Act has in it the possibilities of preventing the suspension of cash payments by banks, thereby making the country safe from currency panics, and

WHEREAS, Section 16 of said Act providing for the so-called par collection of checks is not a feature necessary to the attainment of the objects sought by the Federal Reserve Act, and the system of collecting checks now in operation under the law, as interpreted and applied by the Federal Reserve Board, works serious hardships upon and heavy losses to thousands of country banks, and

WHEREAS, It is the belief of the majority of bankers that Congress did not intend to deprive the banks of legitimate profit, therefore

BE IT RESOLVED, That the American Bankers Association, while approving the fundamental principles of the Federal Reserve Act and expressing loyalty to the Federal Reserve System, protests against the provisions of the Act relating to the collection of checks, and instructs the Committee on Federal Legislation of the American Bankers' Association to endeavor to secure amendments to the Federal Reserve Act, providing for the establishment of a collection system which is fair and equitable to all Banks and to the general public.

BE IT FURTHER RESOLVED, That the President of the American Bankers' Association be authorized and directed to appoint a Committee of twenty-five bankers, fifteen of whom shall be country bankers, and ten of whom shall be reserve city bankers, and that this Committee co-operate with the Committee on Federal Legislation of the American Bankers Association in bringing about the enactment of the desired amendment.

I move its adoption:

THE PRESIDENT: You have heard the reading of the resolution, and Mr. Nathan Adams moves its adoption.

MR. HAWES: Mr. President, I rise to second the resolution as offered to the Convention. I do so with the feeling that the resolution as presented is fair and equitable to all classes of bankers —.

THE PRESIDENT: One moment, Mr. Hawes. This resolution coming as it does, the Convention will have to decide whether it will consider it. A motion to consider this resolution at this time.

MR. HAWES: I move we consider it, Mr. President.

(Motion duly seconded.)

THE PRESIDENT: All in favor of considering this resolution at this time will signify by saying aye.

(Motion carried unanimously.)

MR. HAWES: I do not desire to make a speech. I only desire to move the adoption of the resolution as offered. As I have said before, I believe it fair and equitable, and because it makes a Commission of bankers composed of all classes and kinds, I hope the resolution will prevail.

THE PRESIDENT: The question now comes on the adoption of the resolution as offered by Mr. Nathan Adams. All those in favor of its passage will signify by saying aye.

(The resolution was carried with only one dissentient voice.)

MR. GEORGE E. WEBB: Mr. President, I have a resolution that I wish to present here at this time, and I ask for its consideration at this session of the Convention. May I read this resolution?

THE PRESIDENT: Come to the front, Mr. Webb.

#### RESOLUTION CONCERNING CONSERVATION OF SOIL FERTILITY

MR. GEORGE E. WEBB: (Reading.)

History records that only such nations have endured as have given heed to the conservation of their soil fertility. The facts are that in all time there is no record of any nation having mined and dissipated this priceless heritage with such a degree of careless abandon as ourselves. With thousands of acres of virgin land being brought annually under the plow, we have reduced our annual average production of grains per acre to about fifty per cent of the production of our virgin soils, producing today less than half the average per acre of European farms. This, while yet our nation is in its infancy.

And whereas, it is recognized by soil economists that animal husbandry is the most economical method of conserving and of building soil fertility, we face the alarming fact that for the past twenty years the production of cattle in the United States not only has not kept pace with the increase of population but has decreased in number.

Now, therefore, be it resolved by the American Bankers Association in convention assembled that the Congress of the United States be petitioned to order an investigation by the Trades Commission into the production of cattle, the marketing of cattle, the slaughter of cattle, the distribution and sale of all products therefrom.

In the hope that means may be found by which this important agency in the conservation of soil fertility may be increased and the masses of our people be supplied with this wholesome food product at a reasonable cost.

And to the further ends, that reliable data may be secured by which the value of loans based upon cattle as collateral may be judged,

so that the banking interests of America may co-operate with the farmer in developing the live stock interests to the maximum limit; thereby increasing the fertility of our farms for the benefit of future generations, and the safeguarding of the hundreds of millions of dollars invested in farm mortgages.

THE PRESIDENT: You have heard the communication read by Mr. Webb. It is up to the Convention again to decide whether the subject matter shall be considered. A motion on this subject is asked for.

MR. TRAYLAR: Mr. Chairman, I am very much interested in the subject matter of that resolution. Would it be out of order that the resolution be referred to the Resolutions Committee?

THE PRESIDENT: We have no Committee on Resolutions except one on purely matters of courtesy.

MR. TRAYLAR: I see. I should like to have the opportunity, and I think this Convention would be entitled to an opportunity to think that proposition over, which has been brought up in the resolution. I do not care to speak in opposition to it —.

THE PRESIDENT: The point now is whether it shall be considered or not considered, whether it shall be considered at this time or a future time.

MR. TRAYLAR: I move the consideration of the further resolution be delayed, until a further session of the Convention.

THE PRESIDENT: Will you specify the session?

MR. TRAYLAR: Tomorrow.

THE GENERAL SECRETARY: The regular order of business for resolutions is on tomorrow afternoon.

MR. TRAYLAR: Tomorrow afternoon is satisfactory.

THE GENERAL SECRETARY: That would be your motion, that it be referred to the regular order of business under resolutions, tomorrow afternoon?

MR. TRAYLAR: Yes, sir.

THE PRESIDENT: It has been moved and seconded that the consideration of the subject matter of this resolution and this resolution be deferred until the session tomorrow afternoon under the head of resolutions. All in favor will signify by saying aye. (The motion was duly carried.)

Is the State Secretaries' Section ready to report? They have been called twice. I call on Mr. McFadden. (No reply.) Now, the report of the Currency Commission.

#### Report of the Currency Commission

[This report will be found on page 125 of this publication.]

MR. MOEHLLENPAH: A majority of the American Bankers' Association feel like expressing a proper vote of appreciation, and I also believe that the rank and file of this Association believe that the work, the function of this Commission has ceased, and I would like to have time to gather some of my associates, if it would be in order for us to do so, to draft this appropriate resolution, that it may be put properly upon our record, and go to this ex-Commission.

THE PRESIDENT: It seems to me, Mr. Moehlenpah, that the purpose that you desire to carry out must be divided into two parts; one would be the receiving of this report, and the other is the discharging of the Commission. It can be done by the Convention.

MR. MOEHLLENPAH: Mr. Chairman, the first is entirely agreeable, but the second takes some time. I believe just as I have stated that you can rule that way, so that we can vote that way, it would be satisfactory to the membership.

MR. GOEBEL: Mr. Chairman, I do not think that this Convention is ready, upon a few minutes' notice to discontinue the Currency Commission that has done such notable work in behalf of currency reform.

I also believe that it would not be wise at this time, without further consideration to concur in the recommendation of the Currency Commission, as announced in their report. Therefore, I move that the report be received and filed. Motion seconded. (The motion was carried unanimously.)

THE GENERAL SECRETARY: I want to notify the Nominating Committee, who are now present here, that the meeting scheduled for this afternoon is at 4:30 o'clock, and it has been arranged to have it in this building so that you can remain at the Convention until about that time, and the meeting is held in the rear of the building. That is all.

MR. COLLINS: We have with us this evening a very distinguished member of the Federal Reserve Board, and I feel sure that every member of this Association would like to hear him say a few words to us this evening, and I make it a motion to ask him to say a few words, Mr. Harding.

THE PRESIDENT: It has been moved that Governor Harding, of the Federal Reserve Board, be invited to address this meeting. All in favor will signify.

(The motion was seconded and carried.)

THE PRESIDENT: I now call on Governor Harding.

#### The Federal Reserve Law and Its Amendments, by W. P. G. Harding

[Mr. Harding's address will be found on pages 110 to 111 of this publication.]

MR. GOEBEL: Mr. Chairman, Mr. A. J. Frame desires to say a word at this meeting on the subject of the resolutions that have been adopted.

MR. A. J. FRAMES: Mr. President, Gentlemen of the Association, I was delegated at the Country Bankers' meeting to present the resolutions which were passed by them the day before yesterday to this Convention. I have come for just one moment, perhaps not to present the resolutions, because it appears to me without consultation with the rest of the Committee that the Federal Legislative Committee has practically covered the very things that we had in our resolutions—that is correct, is it not? Therefore, the object for which I was appointed seems to have been accomplished. The voice of the country banker has been heard, and I feel under a debt of obligation, and, as harmony seems to be in the air, for the uplift of this nation, I commend you all, and thank you for your attention, and that is all I have to say.

MR. GOEBEL: Mr. Chairman, I am informed that Mr. Von Angleken, the Director of the Mint, is present. If so, I would move that he be cordially invited to address this Convention at this time.

THE PRESIDENT: Is the gentleman present—the Director of the Mint? (No reply.)

The Secretary desires to make an announcement.

THE GENERAL SECRETARY: On behalf of the Entertainment Committee of the local bankers, I wish to call your attention to the ball in this room this evening, at nine o'clock, and to those of you who were not here on Monday night, it is well to tell you that this entire room is used for the ball purposes. You will have plenty of room to dance, if you want to dance, and several thousand seats close by, if you want to look on, and plenty to eat, first-class music, a very hospitable Reception Committee—and pretty girls.

THE PRESIDENT: A motion to adjourn is now in order. We will adjourn till tomorrow at 9:30 A. M.

(Motion duly made, carried and meeting adjourned.)

#### SECOND DAY'S SESSION

Friday, September 29, 1916.

The President called the meeting to order at 9:45.

THE PRESIDENT: Gentlemen, before formally asking the meeting to come to order, I will request you to come to the front and fill up the seats vacant there, disregarding the positions of the state banners.

The first business which we will take up from the program this morning is an address by Mr. Joseph Hirsch, of Corpus Christi, Texas. Mr. Hirsch is going to speak on "The Country Banker's Opportunity"; and it is an address which will well repay your closest attention, I am sure. MR. HIRSCH, gentlemen.

#### The Country Banker's Opportunity, by Joseph Hirsch

[Mr. Hirsch's address is printed in full on pages 106 to 110 of this issue.]

THE PRESIDENT: Will the gentlemen who have come in since we opened the session please come to the seats near the front, and it will be easier for them to hear and it will be very much easier for the speakers to "put it over."

The next business in order is the Report of the Chairman of the Agricultural Commission, Mr. B. F. Harris.

MR. B. F. HARRIS: Mr. Hirsch's splendid presentation can but give you a meager idea of some of the great accomplishments of the Banker-Farmer Movement. Some of us are apt to place the value of the thing on what it costs; but in this work I ask you not to value this by the cost of the work to the American Bankers' Association, because it only cost the Association less than \$3,900 this past year. It is not known to all of you that the Agricultural Commission was created by the Convention. It is not a constitutional committee, so it only holds over from year to year, and with the presentation and acceptance of its report it dies, and at a proper time its work is continued by the Convention.

#### Report of the Agricultural Commission

[The reader will find this report on page 129.]

#### ADDRESS OF B. F. HARRIS, CHAIRMAN OF THE AGRICULTURAL COMMISSION.

And now, having reported for your Agricultural Commission, may I address you briefly and speaking solely for myself? I have just completed five years of service with this association—from the inception of this work.

Three years ago I suggested and with the generous endorsement and whole-hearted support of the Agricultural Commission launched *The Banker-Farmer* monthly, which has given the nation-wide known name and far-reaching impetus to our movement for a better agriculture and rural life and citizenship in the United States.



*The Banker-Farmer* is now an established institution, organized on a permanent basis,—just as the Savings Bank Section, for instance. Therefore, I am doing neither you nor the cause an injustice when I say to you that, with your acceptance of this report, my five years' work and service as member and Chairman of your Agricultural Commission and Editor of *The Banker-Farmer* is terminated and I retire to the ranks of the country bankers. I haven't words to express to you my deep appreciation of the faithful and loyal support the Commission, the Executive Council and officers, the Associate Editor, and the rank and file of the members have given me.

Like all really great movements, this movement we call the banker-farmer movement started in a simple, quiet way with none of its pioneers—optimistic and persistent as they were—having any adequate conception of the dimensions it would attain. And just here I want to make the confession, which you have closely read—and read between the lines of *The Banker-Farmer*—have long since discovered, to-wit: That so far as I was concerned the effort was not simply to enlist the bankers in service with the farmers to build up a permanent agriculture and better country life—great as is that need and duty—but greater than all to arouse and inspire our fraternity generally to become co-operating, militant citizens, working for a greater local and national life and citizenship; for a real, all-American citizenship embraces, cares for and solves all our problems.

At our great conference in Chicago, July 7-8, 1915,—“The story of a great aspiration but of greater achievement; the most representative meeting for agriculture ever held in the United States,” as one prominent writer put it; “Sounding a new note in national life,” and “Doing a work that cannot be undone,” as the *Chicago Herald* and *New York Times* expressed it,—we permanently placed “Citizenship” as the first plank in our platform.

If we do our duty as militant citizens we will cover every phase of social, industrial, commercial and agricultural welfare, and instead of being simply banker-farmers, we become bankers-everybody. As the *Saturday Evening Post*, speaking of us editorially, said—“What a startling difference it would make if the banker-farmer partnership took in everybody!” How the world and these United States need just that partnership—and just at this time; not that we be our “brother's keeper” so much as our brother's brother.

As *Financial America* said of our work: “Inspiration is a particularly valuable asset at this time when there is such imperative need of men in business and financial life who will guide their activities with constant regard for their responsibilities to their neighbors.”

The more points at which we touch a human life and interests, the more alive we become and the longer we will remain so. Most of us are proceeding now with the conviction that, if you succeed, I benefit; if I fail, you are injured; should you do the community service, we are all gainers, while if I waste its taxes or resources or opportunities, I am a public enemy, for the interests of each of us are inseparable from the welfare of all of us. None of us are so small that we cannot count for good or evil; none of us are so big but that our bigness makes us more responsible.

Mr. Lynch, our president, addressing the bankers of Minnesota, covered the point, as he always does, when he said—speaking of the banker-farmer movement—“its chief merit, I am convinced, is that it marks a departure from the traditional policy of the banker; I will not say his real policy, but the one that has been ascribed to him and whose existence he has hitherto done nothing to disavow. In other words, it has shown to many people that the banker is human, that he does not take an interest in his customers and in his neighbors, and that he is willing to help them to succeed with only the remote possibility in mind that their success will in turn benefit him.”

This world, or perhaps I should say the United States, is getting better and farther every day because it is getting more practical, more human. We don't believe in honesty today for “policy's sake,” but for honesty's own sweet sake. We want our religion and all the verities not as a seventh day, but as a seven day proposition, and we are beginning to look at politics or government not as an annual election day nuisance, but as a 365-day business proposition. In other words “Service” expresses it, and service grows out of a sane combination of sense and sentiment; though sentiment, not so long since, was supposed to have a little place in business as business had in politics. We must mix the quantity of our materialism with the quality of our idealism; we must propagate our citizenship or give it up.

Democracy is on trial;—we must learn what “Sovereign Citizen” means, for never did your country need you as it needs you today. Look about us, all the way from the township up to the Capitol, then ask ourselves the question—“What would my community or this nation be if all its citizens were like me?”

Today our boys and girls are learning or unlearning their ideas and ideals of citizenship from the apathy of the average citizen, or the affinity of the average politician or public official toward petty or monstrous indifference, waste or worse. Our greatest danger today is not so much from corruption in public life, as from the cowardice of our public officials and from citizens, particularly those situated as are we. And just here, as emphasizing this greatest danger to our Republic—cowardice;—and speaking solemnly and solely for myself, I register my protest, as every similarly-minded American should, at the amazing attitude of the National Administration and Congress in the illy considered and panicky haste with which they,—sworn to act for the welfare of every citizen of the nation—cringed and threw up their hands on forty-eight hours' notice so to do from a handful of men.

I care not who the men are, nor the merits of their case—the humblest tollers or the most arrogant captains of industry would hardly hold their flag and its representatives so lightly, or dare to attempt so gigantic a “hold-up” of the rights of a free people.

And yet, un-American and intolerant as were the methods of these men, the abject, unjustifiable surrender of Congress is the sinister sign in the whole miserable transaction. It is the greatest break-down, the heaviest body blow our nation has had. The international situation; the effect of a nation-wide strike, sing into insignificance for us in comparison with this fundamental assault on and surrender of vital principles, the square deal and self-respect.

With such appalling cowardice on the part of public officials, how can a good American hold his peace or hold up his head?

We call character the real basis of all our banking transactions—yet how little we do to help build up that priceless possession in the community, even by our own forceful, constructive and helpful example. Can't we do more to teach that ability and genius are as nothing without character and the will to work,—and to work for others? Our work for citizenship is character building.

What can we do?—a hundred things all near at hand. One of the easiest is to help mobilize public opinion and get that greatest force in this nation to work along sane and constructive lines.

We can work for a patriotism that rises superior to partisanship. We want a patriotism that will not allow us to permit a party label to prevent us from seeing that every public office is better manned and every school better womaned than it has ever been before.

There are many false notions abroad and not a few of these are with reference to the banker. Here, for instance, is our great American Bankers' association of some seventeen thousand members. The press, the public, even many of our members, don't realize, or act as if they did, that over fifty-five per cent of our members are actually country, cross-roads bankers with a capital of \$25,000 or less, while seventy-five per cent have a capital of \$100,000 or under. If all of the more than 28,000 banks in the United States are considered, at least seventy-five per cent have a capital of \$25,000 or less.

This association really belongs to the country bankers, too modest to assert their views as are so many majorities,—yet the politician, the demagogue, the funny paragrapher only sees or picks out the relatively few Morgans, National Cities, big trust companies, etc., and leaves the impression that we are all as opulent. It only goes to show how we frequently lose our bearings, forgetting that this great nation and its great industries or lines of human endeavor are really constituted of the great average; the great common people of whom Lincoln said “the Lord most loved because He made so many of them.” They are our bulwark; they made this nation great, and the average banker—the banker-farmer—is “one of them,” with several of his neighbor farmers and merchants as big a “magnate,” or probably a bigger one, than is he.

The nation stands on the shoulders and lives from the business, the integrity, the industry and the citizenship and patriotism of the average man, and the well-being and perpetuity of all depends on his prosperity.

The banker, however, is in many respects the most important man in town whether he knows it or not; he should be the bravest and the least afraid of criticism, and our effort has been to have him as well and favorably known in front of his counter as he is behind it. Such prejudice as existed against the banker was largely because of his failure to show his interest in public welfare. Fear of being misunderstood explained his inactivity and resulted in his really being misunderstood and misjudged.

We must be progressive in order to be conservative; we know that life is something more than living; that “no man liveth to himself alone, not by bread alone,” and so we are working for the big, broad, human and public-spirited side of things. We do not believe that any man can be a good banker or a good business man who is not first a good citizen—in all that term implies. You may call this idealism, but I ask you to show me today the man, or the business; the bank or the institution not directed by service nor squarely up to the Golden Rule—within which all my suggestions are encompassed—and I will show you a dead or a passing one. Some incentive besides the dollar is needed to save us from failure.

I do not believe as many of you as should realize what our movement has done or can do for you and our fraternity; not to speak of its service to public welfare, its demonstration of our vital interest and practical co-operation, nor that the movement is just coming into its own—with enormous possibilities.

Our phrase, “Take interest in the farmer as well as from him” has gone throughout the country with constantly increasing emphasis on the “in.”

It was really not so necessary for me to reiterate so many of the things we have been preaching in *The Banker-Farmer* because bankers now in every section of the country are preaching and acting on the banker-farmer platform,—but I could not resist this, my last chance.

Let me quote H. C. Carr of the First National of Portville, California, who, writing on the banker-farmer movement, said: “It may be that you haven't given this proper and serious consideration. It may be that you do not care. If you don't care, then hang the three balls over your door, don the grey garb of the collector of tribute and go out and clean up the earth of its substance, and while you are accumulating all those glorious dollars you may be sure that you are also accumulating the hatred of mankind, the contempt of their wives and daughters and the curses of the luckless victims who have been cleaned. ‘The bank that helps’ is a good motto, but ‘The banker that helps’ is a better one.” Mr. Carr, like many another convert to our cause, has found new life and a new vision, realizing that nothing we can give counts like the giving of ourselves. It all sums itself up into the question, “What are we working for; what is the journey's end; have I or we any vision or ambition either for ourselves or our country?”

And now, finally,—my whole conception of, and work and hope for, this banker-farmer movement is to bring about militant, co-operating citizenship among all classes of our people, and for that reason I have confined my remarks entirely to the spirit back of, and the spirit that I hope will continue to actuate, this work.

Never in the world's history, nor in our own in these portentous times of stress and readjustment, was such a spirit so necessary, nor from any class of men more than from the banker-farmer class. We have very much to maintain as well as to attain;—all that we and the beloved who have gone before us sought for and wrought for and fought for is more than ever worth fighting for, and these requisites of citizenship we are working for spell thorough preparedness, independence and protection in every sane form.

The solution of many problems presses upon the present and every person, and a prompt and successful solution reaches far into the future, for it furnishes the foundation for all the years that are to come. We are barely peeping through the portals of our possibilities, the greatest ever vouchsafed to man. Are we going to be equal to it;

will the bankers lead the vanguard of aggressive citizenship? "Lord God of Hosts, be with us yet; lest we forget, lest we forget."

If you agree with me, see that the work of this Commission is continued, and particularly the publication and wide distribution of *The Banker-Farmer*, along the lines suggested,—with "Citizenship" always at the masthead,—for it is the most needed and worth-while work we have undertaken.

"THEREFORE, when we build," as Ruskin said, "let us think that we build forever. Let it not be for present delight, nor for present use alone; let it be such work as our descendants will thank us for, and let us think, as we lay stone on stone, that a time is to come when those stones will be held sacred because our hands have touched them, and that men will say as they look upon the labor and wrought substance of them: 'See! this our fathers did for us.'"

MR. SHEPPARD (Idaho): If it be not out of order at this time, I ask the privilege of offering a resolution.

THE PRESIDENT: Bearing upon the report just read?

MR. SHEPPARD: Yes.

THE PRESIDENT: It is in order.

MR. SHEPPARD: After listening to the admirable address of Mr. Hirsch, and the very interesting report of the retiring Chairman of this Commission, I am sure there is not a man or a woman within the sound of their voices who would for an instant wish the discontinuance of this excellent work inaugurated by the Agricultural Commission. I therefore, Mr. Chairman, make the motion that the Agricultural Commission of the American Bankers' Association be continued.

(The motion was carried unanimously.)

In addition, my attention is called to the fact that the report has not been acted on. A motion was made to continue the Commission, but a motion should be made to receive and file the report.

MR. McCULLOUGH (Ind.): I move the report be received and filed.

(The motion was duly seconded and carried unanimously.)

THE PRESIDENT: The next business before us is an address by the Hon. Paul M. Warburg, Vice-Governor, Federal Reserve Board, Washington, D. C., on "The Reserve Problem and the Future of the Federal Reserve System." Will the gentlemen kindly walk to the front seats, as far as you can, so that you can hear?

MR. R. F. MADDOX (Atlanta, Ga.): I understand that a motion has been made and carried to continue the Agricultural Commission. I also understand that a motion has been made and carried to receive the report. If I am in order, Sir, I think it would be quite appropriate at this time to express the thanks of the Association for the splendid and unselfish work that the Chairman of this Agricultural Commission has given to this matter during the last few years.

I believe there is no movement started by the American Bankers' Association that has brought more advantage to this Association and the country. I believe the co-operation of the banker and farmer will make for the permanent and great prosperity of this country, and the gentlemen who have thus promoted it so far, and given it such a good start, should receive the thanks of the Association. I therefore move you, Sir, that the thanks of this Association be extended to Mr. Harris, and the Committee for the splendid work which has been done.

(The motion was duly seconded and carried.)

#### The Reserve Problem and the Future of the Federal Reserve System, by Paul M. Warburg

[Mr. Warburg's address in full will be found on pages 111 to 121 of this publication.]

THE PRESIDENT: Gentlemen, we will not detain you but a few moments longer.

MR. GEORGE REYNOLDS (Ill.): Mr. Chairman, I ask your recognition, in order to introduce a motion in connection with this address that has just been made, and while I am on my feet I ask for only a moment for a remark or two in connection therewith.

The splendid analysis which Mr. Warburg has given of what I believe to be the very crux and the vitals of the Federal Reserve System, has been so comprehensive and so logical that I feel very little emphasis is necessary. However, since this is an institution that is here to stay, and since it is an institution which belongs to you gentlemen, I would like to impress upon you the fact that in your assembly here to-day you are very much in relation to this problem and to the address which Mr. Warburg has made, as your facilities are in your respective banks, in your relations to your stockholders, in your annual meetings. You are always glad to have stockholders, who are interested in the success of your institution, make recommendations to you, and I regard the recommendations which Mr. Warburg has made to-day as being another relation to this institution, which, gentlemen, is after all your institution, not only because you own all the stock but you are the entire depositors; whether or not you are voluntary stockholders or involuntary makes no difference, the condition exists, and it is the only bulwark in which we can turn in

times of stress or need, and whether that bulwark is one of strength or weakness depends very materially upon what we as individual stockholders, people interested in it, may do in our individual capacity, and in our individual relations toward it.

I only want to emphasize one thing,—Mr. Warburg, in connection with your address to-day, and that is what I believe the efficacy and benefits which will be derived through this Association, if we as bankers follow the practice which has prevailed in Europe for one hundred years nearly, and give to the Central organization the Federal Reserve System, the Federal Reserve bank, in our own respective districts the bulk of the gold reserves which we carry, and go more nearly to the basis practiced by the European bankers of carrying till money. To emphasize the thought I have in mind, I want to say that the institution over which I have the honor to preside, while carrying a Federal Reserve Bank balance in Chicago at this time, about \$15,000,000 on deposit, carries in its vaults some 25 to 30 million more of legal reserve money; and it may be of some interest to you to know that I have already given instructions that the reverse of that condition should be true, and that in the future it is our purpose to carry two-thirds of that balance with the Federal Reserve Bank, and only one-third in the institution's vaults. This system will be exactly what we make it, and it is in these vital things that I invite your co-operation.

Mr. President, and gentlemen of the Convention, I rise for the purpose of asking for a standing vote of thanks to Mr. Warburg for his splendid address which he has given to this Convention to-day on the question of the Federal Reserve System.

MR. PULIKER: Before putting the motion, may I amend it by asking the Association in addition to publishing the address in the Proceedings of this Convention that it be put in pamphlet form so that it may be read and studied by every banker of this land, be he National banker, be he State banker, or be he private banker; be he for the Act, or be he against the Act.

I therefore move you, Mr. President, that this Association publish in pamphlet form—if I am in order—for general distribution, the address of Mr. Warburg which we have just heard, and if Mr. Reynolds will permit me that the rising vote may be considered the affirmative vote to the motion.

THE PRESIDENT: I would like to call the gentlemen's attention to the fact that the address will be printed in THE JOURNAL and will receive the circulation that it carries, which is more than 16,000 members, because it goes also to the American Institute of Bankers, and 35,000 copies will be circulated in that way. (Cries of, "Question!")

The question is as I understand it on Mr. Reynold's motion, a rising vote of thanks.

(The motion was carried unanimously.)

Kindly give us a little more attention, gentlemen.

THE SECRETARY: I have just received the following telegram: (Reading.)

"The Farm Mortgage Bankers' Association of America sends cordial greetings and congratulates the American Bankers' Association upon the splendid attendance at its 42nd annual convention and expresses the hope that it has been marked with the success of its preceding notable conventions. (Signed by) Fred. W. Thompson, President."

I want to call the attention of the Convention particularly to this afternoon's session and urge all the delegates present and guests to be on hand at two o'clock. You will have one of the most important reports of the week in the report of the Insurance Committee. Then, at that session, the special committees are appointed for the invitations for the next convention, and the communication from the Executive Council and a resolution which was laid over yesterday. Then comes the report of the Committee on Nominations, and the election of your officers, and the installation of the officers. Those are very interesting ceremonies.

Then we have some visitors here as well, whom I know you will be interested in hearing, so I hope there will be a full and large attendance at this afternoon's convention, the closing session of the most successful convention the American Bankers' Association has had in its history of forty-one years!

THE PRESIDENT: A motion was made this morning by the gentleman from Idaho, Mr. Sheppard, passing a resolution continuing the Commission, but it did not include in that motion the power to the President, that will be the incoming President, to appoint the members.

MR. B. F. HARRIS: Mr. President, I move you that inasmuch as there are to be changes in the Commission, that the motion be corrected to provide that the President shall appoint the seven members of the Commission for the ensuing year.

MR. SHEPPARD: I accept the correction.

THE GENERAL SECRETARY: That is one of the orders already, that all committee appointments must come in under the heading toward the close of the Convention, and this appears under Friday, September 29, under the head of "Committees and Committee Membership." The reports can be approved, but the committees must be appointed at that time, under the order of business.



MR. P. W. GOEBEL: Mr. Chairman, may I ask every member of the Executive Council to be here at the platform five minutes before two o'clock this afternoon for a short conference, both the new members as well as the old ones?

THE PRESIDENT: A motion to adjourn is in order.  
(Motion duly seconded, carried, and meeting adjourned.)

## AFTERNOON SESSION.

Two o'clock P. M.

CONVENTION HALL, KANSAS CITY, MO.

The meeting of the American Bankers' Association in the afternoon met at Convention Hall.

President James K. Lynch called the meeting to order at 2:30 P. M.

THE PRESIDENT: Gentlemen, I must apologize for the delay in opening the session. Matters developed which I could not very well control. The first business of the afternoon session is the Report of the Insurance Committee, Mr. Elder J. Sands, of Richmond, Va., Chairman. This is a very important report and one which will repay your close attention.

## Report of the Insurance Committee

MR. COX: I happen to know something of the great amount of the work which this committee has done, and I know that a new committee would take years to acquire the information that this committee has, and I move you therefore, sir, the acceptance of this report and that it be filed, and the same Committee continued as provided by our Constitution in Section 6, I think.

MR. JESS: I heartily concur in every way in what was said by the mover of this motion. The Insurance Committee has rendered the bankers of this country signal service; the securing of this Banker's Bond, the blanket bond which was discussed by the Chairman of the Committee in his report, is a step in the right direction; not only is the covering better than any other policy offered but the premiums that we are called upon to pay for insurance are something that are far less than ever before. This Committee has given freely of its time and strength in the interests of the bankers of the country. Its work is not finished, and I, with great pleasure, second the motion made by Mr. Cox that the Committee be continued.

THE PRESIDENT: In order to get it before the Committee in regular order I would request that Mr. Cox divide his motion, and we will receive and file the report.

MR. COX: I shall be glad to do so. I move that we now receive this report, and that the Committee be appointed.

THE PRESIDENT: Yes; it is seconded by Mr. Jess, and all in favor will say aye.

(The motion was carried unanimously.)

The motion is carried, and the report will be received and filed.

MR. COX: Now, I move you, Sir, that this Committee be continued, as provided by our Constitution.

MR. JESS: I now second the motion.

THE PRESIDENT: The motion to continue the Committee, with same membership, is made and seconded. Are you ready for the question? All in favor will signify by saying aye.

(The motion was carried unanimously, with the exception of one dissenting vote.)

Now, Committees and Committee Membership, this is the next in order on the program. Under that heading will come the membership of the Agricultural Commission.

## COMMITTEES, AND COMMITTEE MEMBERSHIPS

A motion to either continue the Committee or have the incoming President appoint them, will be in order.

MR. SHEPPARD (Idaho): Mr. President, at this morning's session I made a motion providing for the continuance of the Agricultural Commission, which motion was carried. However, I overlooked making provision for the method of continuance, and I wish at this time to amend my motion by providing that the Commission be continued by appointment by the President.

THE PRESIDENT: A motion has been made and seconded with respect to the Agricultural Commission, to the Convention Committee, to the effect that the Committee be continued, the appointment of the personnel, and the committee, to be left to the hands of the incoming President. Are you ready for the question? All in favor will say aye.

(Motion carried unanimously.)

There appear to be no other committees. The Secretary will make a statement.

THE GENERAL SECRETARY: The next order of business is the—

## INVITATIONS FOR THE NEXT CONVENTION.

Those are submitted to the Convention, with a view of having the Convention express, if they wish, any desire they may

have in regard to that, but under the Constitution now a decision for the choosing of a city for the next Convention is vested in the Executive Council. The invitations which have been received for the Convention of 1917 are as follows: Atlantic City, N. J.; this invitation comes from the Atlantic City Bankers' Association, or, in other words, the bankers of Atlantic City.

From the New Jersey State Bankers' Association, the Governor of the State, the Mayor of Atlantic City. I have on this file written invitations of these various bodies which I will read to the Convention if they desire to have them read. They are all in most hospitable terms. Now, the other invitations which have been received, and which are also on this file, come from commercial bodies.

Chicago, Ill. From the Chicago Association of Commerce.  
Asbury Park, N. J. From the Mayor and Director of Public Affairs.

Milwaukee, Wis. From the Merchants and Manufacturers' Association of Milwaukee.

Columbus, Ohio. From the Columbus Convention & Publicity Association.

Portland, Ore. From Portland Chamber of Commerce.

New York, N. Y. From the Merchants Association of New York.

Toledo, Ohio. From Toledo Convention & Tourist Bureau.

San Francisco, Cal. From San Francisco League.

Norfolk, Va. From the Chamber of Commerce of Norfolk.

I will only say that in that connection the American Bankers' Association has never accepted the invitation of any commercial body. It has been the rule to observe only those invitations which come, and which are joined in, by the bankers of the city that wish to entertain the Association.

MR. EDEN: I move you that the American Bankers' Association accept the invitation extended on behalf of the bankers of Atlantic City, and of the State Bankers' Association of New Jersey, and of the commercial interests at Atlantic City.

THE PRESIDENT: Mr. Eden, will you modify your motion to make that recommendation to the Executive Council? That will be following the form provided; the Convention can not settle the question. It has to be referred to the Executive Council, who will without doubt attach great weight to the recommendation of the Convention, and unless something arose between now and the Convention date would unquestionably follow it out. Will you therefore change your recommendation to that effect, Mr. Eden, as a recommendation that this Convention recommend the Executive Council to accept the invitation from Atlantic City?

MR. EDEN: Yes, sir.—So that we get to Atlantic City!

MR. COLEMAN: I second that. (Motion duly carried.)

The recommendation goes for Atlantic City.

MR. C. A. HINSCH: I believe the next in order will be Unfinished Business?

THE PRESIDENT: Yes.

## CONVENTION VOTES IN FAVOR OF REDUCING RESERVES OF COUNTRY BANKS FROM 12% TO 10%.

MR. C. A. HINSCH: I would like to call attention, Mr. Chairman and Gentlemen, to the fact that in submitting the report of the Federal Legislative Committee we asked for an expression of opinion from this Convention as to two subjects: One was the recommendation of the American Bankers' Association recede from the position taken by it at the Seattle Convention, in which we recommend the adoption of what is now known as the Pomerene-McFadden Bill, pertaining to the readjustment of bank reserves. Our recommendation was that we abandon the provisions provided for in the Seattle Resolution, and instead thereof that we recommend a reduction in the required legal reserves of banks, country banks, from 12 to 10 per cent. I would like to have an expression from this Convention on that subject.

In addition, I would like to have an expression from you in regard to the question of branch banks. This Association has never given an expression upon that subject; and in submitting our report we called your attention to the fact, asking you to do so. I would ask, if you please, Mr. Chairman, that you take that up separately; one upon the question of the reserves, and the other upon the question of branch banks.

THE PRESIDENT: The question is before you, gentlemen, and the Chair will entertain a motion.

MR. W. M. VAN DEUSEN (Newark, N. J.): I move that the Convention recede from the position taken at the Seattle meeting, with regard to the reserves, and that the Legislative Committee be instructed to secure a reduction of the reserves of all country banks to 10 per cent., to be kept entirely in cash or in the Federal Reserve Bank.

MR. HINSCH: I second that, Mr. Chairman.

THE PRESIDENT: It has been moved by Mr. Van Deusen, and seconded by Mr. Hinsch, that the action taken at the Seattle Convention be rescinded, and that the Convention recommend a reduction of the reserves of the country banks to 10 per cent., to be kept either in their vaults or the Federal Reserve Bank.

The question is an important one and I would not like to have it voted on without proper discussion. It is before you for discussion. (Cries of "The Question!")

MR. C. A. HINSCH: Mr. Chairman, it might seem proper to advise the Convention that at a meeting held in New York, this Spring, that this matter was pretty thoroughly discussed with Governor Strong, of the Federal Reserve Bank of New York, and while he did not state at that time that he favored the reduction of the reserve from 12 to 10 per cent., he rather intimated that he would look in favor upon such a proposition, stating that he believed that that would be economically sound, for he did not believe the other proposition adopted at Seattle would be.

I want you to understand just his attitude, and also it seems to me that Mr. Warburg this morning gave us some encouragement to believe that the Federal Reserve Bank itself might look favorably upon such a proposition. We all realize that in addition, of course, to the legal reserve of 10 per cent., each bank will be required to continue to carry balances with allied banks in their control, which will not count with part of their legal reserves but will be a quick reserve from which they can call. I think it would be wise to let you know that.

MR. COLBURN (California): This question that is submitted by the Legislative Committee at this last session of the Convention is one of the most definite recommendations that this Convention has been called upon to act on. It does not seem that in the limited time at our disposal there can be sufficient discussion or sufficient thought applied to this important measure to give it the weight that it should have. Many speakers that have addressed us from this platform have cautioned the bankers of the country that we were in the presence of very uncertain times; owing to the fact that the Great European War, possibly, it is to be hoped will be brought to a close, and that the American bankers and American businessmen will then be confronted with a situation that is entirely new, and greater problems for their solution that have met us here before.

In view of that condition of affairs, Mr. President, I move that action on this recommendation be deferred until the next convention of the American Bankers' Association.

There is an additional reason, that the reserves of the banks of the country have recently been reduced from 15 to 12 per cent., and it is possible that we are not entirely readjusted to that change. I, therefore, offer that as a motion.

(Motion seconded.)

THE PRESIDENT: It is a motion to postpone until the next meeting of the Convention. Are you ready for the question? (Cries of "Question!") All those in favor of the postponement of this question will signify by voting aye. (Numerous votes.) Those opposed will vote no. (Numerous votes.)

The Chair is in some doubt. Will those who have voted aye kindly rise? Kindly remain, gentlemen, until the tellers have an opportunity to count you.—The Tellers report 110 ayes. The gentlemen who are opposed to the postponement, now rise. The motion to postpone is lost, by a vote of 136 to 110.

The question now comes upon the adoption of the resolution. All those in favor will indicate by saying aye.

(Some voting for, and some against the motion.)

The ayes have it.

#### CONVENTION ADOPTS RESOLUTION DECLARING AGAINST BRANCH BANKING.

The instruction asked for by the Chairman of the Federal Legislation Committee was for a declaration of the policy on the subject of the Branch Banks, by this Convention. A motion is in order.

MR. WM. J. COUSE (Asbury Park, N. J.): I would like to make a motion that this Association go on record as opposed to Domestic Branch Banking, if that is in order. My reason for it is that in our opinion it places the control of the banking business—

THE PRESIDENT: You have heard the declaration that the Convention is opposed to Branch Banking, applied to domestic banks. Does the motion receive a seconder?

(The motion was seconded.)

It is now before the Convention for discussion.

MR. WM. J. COUSE: My reason for making that motion is I believe it places the control of the bank business in the hands of a few big institutions. We have had that tried out in New Jersey, and find it to be a bad law, and we had a law that provided for Branch Banking, within county lines. We found it necessary to have that law repealed. There were 300 independent banks opposed to the system, and two banks only that I know of that were in favor of it, and yet, after passing the repealer throughout the Senate and House, unanimously in the Senate, and 40 to 6 in the House, the Governor saw fit to veto the measure through the influence of two very large trust companies; notwithstanding that we passed the repeal over the veto of the Governor, thus repudiating the dangerous principle of branch banking. It concentrates the funds of the different communities in a few large cities, and does not enable the

deposits to be used locally. Therefore I am in favor of this Association going against Branch Banking. Branch Banking is wrong in principle, and any limitations that might be made would not safeguard the independent banks from the danger of gradual expansion of the system. It is not proper for us in the United States, except to foster a monopoly.

MR. U. H. MCCARTER (New Jersey): Mr. President, it does seem there to me that this is not the proper place to bring the quarrels of the bankers of one state before the National Association. I think it is a matter that each State can figure out for itself. If we get into an argument on a question of this character this afternoon, we will not get to Mr. Long's lunch to-morrow; and I therefore move that this motion be laid on the table. (Cries of "No!")

THE PRESIDENT: Mr. McCarter, while this is in fact a declaration of principle on behalf of the Association, and runs some danger of being entangled in the apparently local difference of opinion, it nevertheless came as a request for instruction from the Federal Legislative Committee. This question is coming up in the next Congress, and our Legislative Committee is asking us for advice as to whether they shall support a measure for Branch Banking. However, it may be limited, and whether they shall oppose any and all measures for Branch Banking.

I wish very much that this could be considered apart from any local disturbances, or any individual interests. It is an important question and I do not feel that the whole story was told by the last speaker.

I should, however, prefer to have this voted on, and an expression of opinion obtained from the meeting. Mr. McCarter, will you therefore withdraw your motion to oblige me?

MR. MCCARTER: Certainly, Sir. I would ask the Legislative Committee to be kind enough to define just what they mean by Branch Banking.

MR. C. A. HINSCH: Mr. Chairman, I am very glad indeed to have an opportunity of saying another word upon that subject; in presenting this subject we really should have divided it. We have Branch Banking contemplated by the recent Act, 13,391, and it pertains to cities and counties, and another that extends to the country districts.

Now, it seems to me that it might be well, therefore, in considering this subject of branch banking to divide the proposition (1) A question of whether or not we favor the establishment of Branch Banks in cities of a certain size; and (2) whether we favor the Branch Banking as extended to the country banks. I would suggest, Mr. Chairman, that you call for a vote for a division on the subject; first, on the city banks.

MR. WM. J. COUSE (New Jersey): Mr. Chairman, if I might be permitted to add a word, I do not think the country bankers have any objection to Branch Banking being conducted within the city lines. That is a matter for the bankers who are conducting business in the larger cities to determine. I believe the rank and file of the bankers, of country bankers, are opposed to branch banking conducted either within county lines or statewide branch banking.

GOVERNOR BAILEY: I am opposed to any system of Branch Banking. I wish to go on record so hard that it will catch the ears of Congress on that proposition. It appears that in the States that have the system of Branch Banking that the National Banks are working to disadvantage in those things; more than that, I grant that be true, I would rather have corrected the mistakes in those States than to make a greater mistake by establishing a national reputation of branch banking! You all know about the various banking systems in Canada. You must realize that another entering wedge into our branch system, will ring our death knell eventually of the individual banking systems of our country. I have in mind an experience of my own, up in my county in Kansas, where I lived for years. A couple of families of repute, hard working, industrious people, moved up into one of the provinces of Canada. They were thrifty, well-to-do people, but after they started in this new country they needed some accommodation. A branch bank of one of the great Canadian system banks was in this community, where I lived. They borrowed some money of them. That was all right, in the inception, but stringent times came on, and instructions went out from the Bank of Toronto to "Curtail your discounts."

These men were notified that their notes would be due on a certain time, and they were asked to pay them. They had removed from that personal equation that exists between every country banker and his clients, that bond of sympathy that enters into the banker, with the man who does business, was eliminated. The man who was running a branch bank up there in the district in Canada felt somewhat sorry for this other man, but he said, "My instructions are from Toronto, and you must pay your notes," and the borrower had to write down to his old friends in Kansas, and if we had not had a little extra money to send to him, he would have suffered an irreparable loss, as the result of the branch banking system.

I am sorry for the fellows running national banks in states that have the branch banking system, but I suggest we correct the wrong in our states first. This would then put an enter-



ing wedge into the branch bank system from the national point of view. I hope this Association will keep this in mind. I hope your voice will ring out today, so strong as to be heard in the halls of the American Congress. I quite realize that great influence and power is behind this thing. And let us therefore do the thing that is always potential with Congress. I know how Congressmen behave, when they get into that influence at Washington. The man loses track of the fellows at home, and that mysterious influence sways him; but the silent letter that comes from the fellow that elects him, is the man that moves his sentiment. It is up to you to see to that legislation, and I want to emphasize my opposition to any system of branch banking in this country.

MR. GEORGE REYNOLDS: I think I agree in the main with all that Brother Bailey has said on this subject. In the first place, the enactment of the law as it was proposed, would give the national banks in a few States privileges which the national banks in the majority of the States could not enjoy, because they had no laws in those States providing for branch banking. I know of no institution in America that would profit more by the passage of this law than the institution with which I am connected, and yet I am opposed to it.

I believe in public life and private life and in business and all civic endeavors of every kind that the question of ownership, the question of proprietorship, is the biggest and the broadest thing that will make for a betterment in our citizenship in every direction.

I am frank to say if we were organizing a new currency system, I believe that the safest system from the standpoint of the stability of your deposits, would be in the adoption of a system of branch banking. I am frank to say, however, on the other hand that while with the currency commission in Europe in 1908, in a study on this question, there was one question that could not be satisfactorily answered by any of the joint stock banks of any of those countries, where they allowed branch banking, and particularly in England, and that is the question that Mr. Bailey has just raised as to personality. The statements are all sent to the head office. They are all measured by the dollars and cents standard; the question of personality, the ability or the initiative of the individual in the community, is not given any greater advantage in one case than another. You all know that in every community there are two or three or four people who have initiation, who have progressed, and are successful in the consummation of the ideas that they undertake. Now, gentlemen, one gentleman from New Jersey, who has spoken of the condition there has said that he did not think the bankers would object, if it is only city-wide in its effect. We have in Chicago perhaps one hundred banks that would feel differently to that, probably seventy-five of those banks have their accounts with my institution. They have carried good balances with us, and have carried them for years, and I do not want now to prostitute the information which I have gotten through the benefits which they have endeavored to bring to me in giving me their accounts, by taking that information and starting branch banks across the street, in order that I may take away from them the business which many of them have been 25 years in building up. I hope that this Convention will go on record as opposing branch banks in every form, and I suggest, as Mr. Bailey suggested, to right the few instances where the competition is hurtful to the national banking system, and not make the sore so big so that it will extend to the banks in all the States.

THE PRESIDENT: Is there anyone here to take the opposite side?

MR. WILLIAM LIVINGSTONE (President, Dime Savings Bank, Detroit, Mich.): Mr. Chairman, I am sorry to disagree with my particular friend, Mr. George Reynolds, but I fully grant before this Convention that his experience is worth a great deal more than perhaps mine is; but it does seem to me that on the question of branch banks, we might have some limitation. Take Governor Bailey's illustration of the Canadian banks. You have the Canadian Bank of Commerce, and the Bank of Montreal, that run into hundreds of branch banks, extending all over the provinces of Canada. I fully agree with him about the man who is away from the main bank, that he loses the personal equation, which you would have in a bank confined entirely to a city.

Without desiring in any way to take up the time of this Convention, may I be pardoned if I just say a word relative to my own particular city, the City of Detroit? It seems to me that applied to the experience we have there, that under proper limitations and under proper laws—all State laws are not alike, but the way in which the branch banking system is controlled in our State indicates to me that it was understood there could be but little objection to our city banks, particularly, having branch business. We have one hundred branches in the City of Detroit, a fraction over that in fact. These branches are owned by all the respective State banks, some have more, and some less. The reason for establishing those branch banks is what?—for the convenience of our depositors. They are

scattered all over the city, and the result is that it is much more convenient for them in many ways to make their deposits at places which are near their own residences, which are on the outskirts of the city, scattered all over the entire districts of the city; it is so much more convenient and advantageous, that the customers are very much pleased with it, indeed; and the bank that did not have branch banks, I am speaking particularly of savings banks, throughout the city would be at a very grave disadvantage, indeed.

It is a public convenience in every way. The depositors want it, and they have asked for it. And they will tell you that there are many in that locality who say that we have a large plant here, and we cannot afford to come downtown to make our deposits, and the result is if you do not establish a branch bank we will go elsewhere. I am talking now particularly, and confining it to the limits of any one particular city, not going outside of it, not spreading all over thousands of miles throughout the entire province of Canada, and I am very familiar with their way of banking; but so far as our experience in Detroit is concerned, at least, I am satisfied that every banker in Detroit who has had any experience in the banking business whatever, would be utterly opposed to, and would vote no on this particular proposition.

Now, so far as we are concerned, you take the State business, and I happen to represent a State bank. If I were looking at it as an entirely selfish proposition, I would be opposed to national banks having branches, but the very reverse is the case. I think that we should all stand on equal footing, with equal rights and equal privileges, and I am heartily opposed to any resolution so far as my own personal opinion goes, and I know that I voice the opinion of all our State banks, at least in Detroit, and I am entirely opposed to the passage of this resolution, in the policy of all branch banks, without regard to the locality, or their particular limitations. If there is any question of branch banks having too much latitude, if there are some States where the laws are not sufficient, and the limitations are not such as provide for safety, then, it should be altered. Governor Bailey has raised the point here about the personal equation, which is true in the way he has stated it, but not so for instance in the city. There is no depositor in any of our banks that cannot come down to the man at the bank at any time, and be listened to with all consideration, and receive all the attention and help consistent with good banking, that he can have, provided he was keeping his account in the main bank. The fact that he is in the branch does not make any difference. If his credit is good, his integrity is good. He will get all the accommodation, all the help that he can possibly get under any circumstances in the main bank.

MR. FULTON (New Orleans): I would like to defend the system of branch banking. I have been brought up in that system of banking myself, and I know the good it is to the general communities, and in the city in which I live the State has authorized the establishment of branch banks within the county in which your bank is located, and it has not worked any hardship. It has worked to the benefit of the different communities.

In the City of New Orleans there are about 20 different branch banks. These branch banks have been established at the request of the people in these different sections. They find that they want a bank in that section. They are not strong enough to own a bank, but they want a bank that they can deposit their money in. We have established five, eight or ten banks, all through the city of New Orleans, and I want to defend it, as I think the branch bank system is something that is worthy of a great deal of consideration. I would like to see this Association go on record as favoring branch banks within the city limits.

(Cries of, "Question.")

THE PRESIDENT: The question is on the resolution.

MR. WALDO NEWCOMER (National Exchange Bank, Baltimore, Maryland): Mr. President, for me to get up and say a word that is not entirely in accord with Mr. Reynolds, is enough to make this assembly laugh, but I take the liberty, for just a moment. The question of competition between the banks that have tried to establish branches, and those who have not, has been referred to, and the gentleman over there has said such a situation should be corrected, be corrected locally; but the trouble is a local man has it in his charter, and you cannot change that. You have to meet it, and as you stand today, the man outside of the national bank system, or outside of the Federal Reserve system, can come up and establish a branch near you, copy your business, and you cannot retaliate. In the peculiar position where Reynolds is, where he is getting deposits from other banks, and they are on good terms, naturally he does not want to alter it, but in the city where it is not so easy, it may be an important question, and may I add one word more. An effort is being made to get non-member banks into the Federal system; I am not sure I am right, but I submit, is it not the fact that a State bank having branches, if it came into the Federal system would have to give them up, or else could not come in? (Cries of "No.") If I am

right in that assumption, this may be a step to let more of them in.

MR. GEORGE REYNOLDS: That is a mistaken assumption. The Corn Exchange Bank, of New York, which probably is the most highly developed system of banking in this country, has recently—

MR. NEWCOMER: I withdraw the last part of that argument, sir, and submit we should have it within the city limits.

MR. C. A. HINSCH: Is this going to come up under two sections?

THE PRESIDENT: No, it is coming up under Mr. Newcomer's motion, placing this convention on record as opposed to branch banks in any form. All in favor will signify aye.

(The motion was carried with applause.)

#### CONVENTION ALSO VOTES AGAINST PERMITTING NATIONAL BANKS TO ABSORB STATE BANKS WITH BRANCHES.

MR. HINSCH: In the report of the Federal Legislative Committee, you doubtless recall it was stated that we would like to have an expression on this subject, and if the vote of this Association was in opposition to branch banks, then that we go on record advocating the introduction of the amendment to the National Bank Act, which would prohibit national banks absorbing state banks with branches, thereby accomplishing in an indirect method something that cannot be accomplished by a direct method. I offer that as a motion.

THE PRESIDENT: The resolution which has been offered by Mr. Hinsch, is a logical successor to the one which has just been adopted by the Convention, but I wish to place myself on record as saying that I expect to attend a meeting of the American Bankers' Association when they reverse the action taken today. That is only an expression of individual opinion, and is not expected to go any further. (Applause.)

The resolution offered by Mr. Hinsch has not yet been seconded.

MR. J. M. DINWIDDIE (Cedar Rapids, Iowa): Mr. Chairman, I want to ask if you would repeat that statement. We did not quite catch what you said about the Association reversing itself.

THE PRESIDENT: I have a reasonable expectation of life, and I expect to live to attend a meeting of the convention at which the action taken today on this subject will be reversed, for I believe that you are going directly contrary to sound, tried, proved banking experience.

MR. BAILEY: Too many of the rest of us have a reasonable expectation, and we will hammer on it when it comes.

THE PRESIDENT: The motion is made by Mr. Hinsch that the Legislative Committee introduce a bill forbidding the national banks to absorb the state banks with branches, by that means forming national banks with branches. Any discussion desired on that motion? (Cries of, "Question.")

(The motion was carried with two dissentients.)

#### COMMITTEE ON CREDIT FORMS CONTINUED.

THE GENERAL SECRETARY: The Executive Council, about a year ago, appointed a committee to prepare new credit forms which might be used by the members of the Association who desired to do so. That committee has given a very great deal of time and consideration to the subject, and has made some headway, and has communicated with the Federal Reserve banks of the outlying districts, with a view of compiling forms which would be adopted for both purposes. The Council Committee expires—it is a special committee of the Council, and the members of the Committee retire from the Council, so that it would not be practicable that the same Committee can be appointed by the Council. This action was taken by the Executive Committee at this meeting, as a recommendation to the Association. I will read the minutes. (Reading.)

MR. BONNER: Mr. Chairman, in view of the fact that this Committee has expended a great deal of time on the work and got a great deal of information, I move you that this financial report be received, and this Council recommend to the Convention that the same Committee be continued one more year in order that they may complete their work and recommend a definite form.

It was moved by Mr. Hinsch—Mr. Chairman, I second the motion, knowing the great work that the Committee has done the last year.

Now, that is put in the form of a recommendation to the general Convention that the General Convention appoint a special committee on credit forms, which will last for one year, and that the Committee which has been acting on that matter be appointed for that purpose. The present Committee is Mr. Sharer of Ohio, Chairman, and Mr. Law, of Philadelphia, and Mr. Lampert, of Chicago, that is the Committee on Credit Forms.

MR. PETER GOEBEL: On behalf of the Executive Council I move that these recommendations be adopted by the Convention, and the same committee be continued for one more year.

THE PRESIDENT: It has been moved by Mr. Goebel and seconded that the committee be continued for another year, the Committee on Credit Forms. Are you ready for the question? All those in favor will say aye. (Motion was carried.)

#### THANKS TO KANSAS CITY.

THE PRESIDENT: Now, resolutions are in order.

MR. SMYTHE: Mr. Chairman, and Gentlemen of the Convention, I would like to present the following report:

It is the unanimous opinion of your Committee on Resolutions that the American Bankers' Association, assembled in convention, should express by a rising vote its appreciation of the entertainment and the efforts made by those who have contributed so much to make this Convention one of the most successful in the history of the organization.

To greater Kansas City the American Bankers' Association is generally indebted for the hospitality extended.

To the committees representing the Clearing House Association and the banks, particular thanks are extended for the very adequate preparations for their hearty co-operation with the officers of this Association and for the facilities afforded and the entertainment provided.

To His Honor, George H. Edwards, Mayor of Kansas City, thanks are given for his generous words of welcome, and to the clergy who asked divine blessings on these assemblies and to all the speakers whose addresses have been most cordially and profitably received by the members, we express our appreciation.

To the Ladies' Entertainment Committee and their coworkers, who contributed in a high degree to the pleasure of the visitors, the Convention desires to express its warmest appreciation.

It is the pleasure of the Convention also to extend to Mr. and Mrs. R. A. Long and their charming daughter, Miss Loula Long, our particular gratitude for the most delightful "Day in the Country," that will never be forgotten.

The hotels of Kansas City have afforded us not only adequate facilities, but have been most successful in meeting demands for additional accommodations and the extension of courtesies. The management of the Convention Hall has been of the greatest assistance in making the machinery run smoothly and has contributed notably to the general success.

To the press of Kansas City, to the newspaper correspondents and to the Associated Press, we extend our thanks for courteous treatment, for liberal space and intelligent operation.

To all who have in any way contributed to the pleasure of the members or guests of this Convention, we express most hearty thanks.

Respectfully submitted,

JAMES DINKINS,

P. C. HALE,

B. A. SMYTHE,

Chairman.

I would like to present this for the consideration of the Convention, Mr. Chairman.

MR. WALTER HALE: I second that and move it be carried by a rising vote. (The motion was carried by a rising vote.)

THE PRESIDENT: Are there any other resolutions?

MR. GEORGE E. WEBB: I introduced a resolution here yesterday afternoon, which was referred to this session for action. I ask your unanimous consent to withdraw the resolution.

THE PRESIDENT: Mr. Webb asks for our unanimous consent to withdraw a resolution which he offered yesterday.

A VOICE: What was the resolution?

THE PRESIDENT: A resolution having something to do with the cattle question. Its purport was not clear to me at the time it was read, and I am still in some doubt. However, Mr. Webb desires to withdraw it. It seems to me that if there is no objection, that the purposes that he wishes to achieve are gained. Is there any objection made to the withdrawal of the resolution? None being offered, it will be considered as having your unanimous consent to the withdrawal. Mr. Von Ingleken, the Director of the Mint of the United States, has honored this Convention by attending its sessions.

We have a few minutes at our disposal, and I am sure that we shall all be glad to hear anything that he may have to say to us. I will now introduce Mr. Von Ingleken.

#### Remarks of Director of Mint

MR. F. J. H. VON ENGELKENG (Director of the Mint, Washington): Mr. President, Ladies and Gentlemen of the American Bankers' Association: It is a little bit difficult to interfere with the election of officers, and the routine of business at the last meeting of this Convention; but, as the manufacturer who supplies you with the tools of your trade, there are perhaps a few things of interest which I might be able to tell you about very briefly, particularly as to the outgo of our factories, and of the product that comes in.

We are at the present time confronted with the situation which is unparalleled in the history of this country, and which is caused by the demands which you gentlemen are making upon us. I want to give you just a few figures. These figures are indicated by the economic condition of the country, and as the country's bankers, you gentlemen should be interested in the trend of supply and demand, as indicated by the spending capacity of the people.

When I came into office on the 1st of September the demand for money coined was slightly on an increase. Since the 10th of September your demands upon us have forced us to run our mints 24 hours a day, and so far we have not been able to keep the supply up to the demand. For half dollars and quarter dollars there has been no demand. Dimes, we coined up to September 10 last year, \$441,000; up to September 10 this year, \$1,031,000. Five-cent pieces, last year, up to September 10, \$1,158,000; this year, \$2,041,000. One-cent



pieces, last year, to September 10, \$222,000; this year, \$700,193, and since September 10 this ratio has been on the increase, the ratio of difference in demands which you are making upon us this year, as compared to last year.

What that means, and what that implies, I have not been able to discover. I hope it is due to the Thrift Campaign that you gentlemen are now encouraging in your banks and the things which are going on in connection with the savings banks. So much for the outgo.

The incoming money, in the shape of gold that we get from the Allies, from England, may be of some interest to you as far as concerns the manner in which we handle it.

We have received in the Assay Office in New York and in the Mint in Philadelphia, beginning on the first of January, 1915, which precludes, or does not include, the first five months of the war, \$474,-843,000 in gold.

At the beginning of this gold shipment it came to us in bars. Within the last eight months it has come to us in coin. The quantity of English sovereigns which we have melted up is absolutely incredible. The supply of English sovereigns having given out, we are now working on the French 20-franc piece. This money came to us from J. P. Morgan & Company, both in bars and in coins. Our capacity to handle it is twenty-five million a week, and the supply we receive from Morgan & Company is absolutely limited to our capacity to turn it out. We have it stacked in the Assay Office in New York and what we cannot handle in the day is sometimes left in boxes. We cannot handle all we get there in a day, for we have to open them and take them out and count and weigh and melt them. Everything we receive in gold is reweighed and valued. Morgan & Company keep their own guards in our office to guard what we have not used up. What we use is paid for the following day on the weight basis; that is, we pay J. P. Morgan & Company by an order on the Treasurer of the United States, 99 per cent of the gold we have weighed the previous day. The remaining one per cent we keep until we have weighed and melted and assayed this gold as to fineness, and then the difference is paid to Mr. Morgan, which sometimes takes the remaining one per cent, and sometimes a lesser portion of it. This period during which we hold back this one per cent runs as high sometimes as two weeks, and the amount is around \$600,000, so you see we keep all the time something which belongs to Morgan.

This gold immediately comes into this country, is transferred into American money, which is placed in the hands of Morgan & Company, and is used to pay for supplies which are furnished to the nations on the other side.

These are two important economical factors which have presented themselves to me in the Mint service, and I pass them on to you gentlemen, who hold in your hands the destiny of our financial service; and I want you to think of what these conditions will bring about in the next six months or a year.

I want to thank you for your kindness in permitting me to attend your meetings. I have enjoyed this Convention very much and it has been immensely educational to me.

I am compiling the demands on the Mint for coins at different periods in the last ten years. If you care to have these figures in order to anticipate the demand on you for a coinage, if you will write me I will gladly give you any information which the Mint Bureau has which is available.

#### NOMINATIONS AND ELECTIONS.

THE PRESIDENT: The next in order of business is the Report of the Committee on Nominations.

THE GENERAL SECRETARY: Before the Report of that Committee is presented I would like to read this letter. It is addressed to F. E. Farnsworth, Secretary, American Bankers' Association, Kansas City, Missouri.

"MY DEAR SIR:

As the Country Bankers have practically accomplished the objects for which they convened, I respectfully withdraw from any contest upon the floor of the Convention for the Vice-Presidency, and take this occasion to warmly thank my friends for their support.

Very respectfully yours,

ANDREW J. FRAME."

THE PRESIDENT: The next is the Report of the Committee on Nominations.

"Your Nominating Committee beg leave to report the following nominees unanimously chosen by the Committee to be submitted to the Association as officers for the coming year, 1916-1917:

For President, Mr. P. W. Goebel, President of the Commercial National Bank of Kansas City, Kansas.

For Vice-President, Mr. C. A. Hinsch, President of the Fifth and Third National Banks of Cincinnati, Ohio.

By order of the whole Nominating Committee.

(Signed) C. H. HOLLISTER.  
FRED. CALKINS.

MR. BECKWITH: I move you, sir, that the report be received and approved and that the Secretary be instructed to cast one ballot for the members here and those associated, for Mr. Goebel for President and Mr. Hinsch for Vice-President for the ensuing year. (Motion seconded.)

THE PRESIDENT: A motion has been made by Mr. Beckwith and seconded by many members, that the report of the Committee be received, and that the Secretary be instructed to cast the ballot of the Association for the gentlemen named. Are you ready for the question?

(Question stated and unanimously carried.)

THE GENERAL SECRETARY: In accordance with the instructions of the Convention, embodied in the motion of Mr. Beckwith, the General Secretary casts the vote for Mr. P. W. Goebel for President for the ensuing year, and Mr. Charles A. Hinsch, for Vice-President for the ensuing year.

THE PRESIDENT: The next business before the Convention is the duty which devolves upon me, and I wish to say it is a very pleasant one. It is, to introduce to you an almost unknown man, Mr. P. W. Goebel of Kansas City, Kansas.

The retiring President has, with some difficulty, invested the incoming President with the badge of office. He is now fully installed, and I turn him over to the tender mercies of this Association.

PRESIDENT-ELECT GOEBEL: Mr. President, Ladies and Gentlemen: It was my good fortune at the noon hour today to take luncheon with seven of the ex-Presidents of the American Bankers' Association. As I sat there and listened to their words of wisdom I was appalled at my insignificant qualifications to assume this, the greatest office that any American banker can aspire to.

I only want to say to you, gentlemen, that it shall be my best endeavor and my continuous purpose to follow in their footsteps as far as my limited ability will permit me to do so.

The American Bankers' Association is, in my opinion, the greatest Association in the world, and its potentiality for good is the greatest in the world, and especially is that so at this particular time. It is not the custom of the American Bankers' Association, for the incoming President to make any extended remarks, but I want to say to you, gentlemen of the Convention, I am delighted with your steadfast purpose of participating in this Convention from the beginning to the end. I have been something of a convention-goer, and never in my experience in the American Bankers' Association has there been such uniformly good attendance at all meetings from the beginning to the end of the Convention as we have had this time in Kansas City. It is an augury for good, gentlemen.

If we would achieve that which we can achieve for the people through the American Bankers' Association, we must give our earnest attention to the problems before us. The American Bankers' Association consists of various sections—the State Bankers' Associations and the National Bank Section, the Trust Company Section and the Clearing House Section, and so forth. Now, this, I think, is one of the wisest provisions that was written into the Constitution of the Association, that each may look to the strengthening of the system to which he belongs. And I want to say to you that that idea of sections must not be misconstrued into sectionalism; it must be construed in the light that these Sections are formed so that all sections may be co-ordinated to build up one great, solid banking business in the United States.

As Mr. Vanderlip said in his address yesterday, paraphrasing the immortal statement of Lincoln, that the country could not be half slave and half free, so that unless the several different classes of banks are co-ordinated they cannot exist; for if the state banks give better privileges and opportunities for their constituents to serve, the national banks naturally after a while will do the same thing, and vice versa; but I believe both have their proper functions, and it is the province of this Association to work for the harmonization of the whole system.

I again thank you for this splendid honor which you have conferred upon me, and admitting my inability to serve as I should, I wish to assure you that I will do the very best I can.

MR. E. F. SWINNEY: I am glad to be able to meet you as the first individual in the American Banking Association. Whenever you wish to learn what kind of a man any one is, it is an old saying, "Go to his home town and see what his neighbors think of him." Last year a few of us conveyed to you the information how Mr. Goebel was considered in Kansas City. I am today delegated by the banks of Kansas City, Missouri—and by the banks of Kansas City, Kansas—to show how the banks regard you, Mr. Goebel, and I take this opportunity to present to you a token of how you are regarded by the various banks of Kansas City.

(Here Mr. Swinney handed Mr. Goebel a very large flower-piece, composed of American Beauty roses and white chrysanthemums.)

(Mr. E. F. Swinney, continuing): We country bankers feel that at the next meeting we will sit at the feet of our next President and listen to the words of wisdom.

THE GENERAL SECRETARY: I have been asked by the Kansas City Banking Association to read this letter addressed to the retiring President and members of the Association:

"Greetings from 1,000 Kansas bankers and wives assembled at this Convention and our sincerest appreciation in the election of our ex-President, the Hon. P. W. Goebel, as your President.

We, who know him best and his sterling worth, bespeak for him a splendid, progressive and successful administration; at the same time, we extend to each and all a cordial invitation to visit Kansas, with its fertile lands, rich in agriculture and live stock, its gas, oil, coal and mineral fields in the southeast part of the State, salt beds at Hutchinson and Ellsworth, our Capitol at Topeka, splendid University at Lawrence, the world's greatest Agricultural College at Manhattan, largest Maneuver Grounds in the United States at Fort Riley, Soldiers' Home at Leavenworth, with its Fort Leavenworth and its War College, Disciplinary Barracks, and United States Penitentiary.

We want to show you that, besides having a big President, we have a big State—big in everything.

KANSAS BANKERS' ASSOCIATION,  
By L. H. WULFEKUEHLER, President."

PRESIDENT P. W. GOEBEL: Gentlemen, it gives me great pleasure to introduce to you Mr. Charles A. Hinsch, of Cincinnati, whom you have selected as your Vice-President for the ensuing year. Mr. Hinsch, gentlemen:

My dear friend Hinsch, it gives me peculiar pleasure to pin upon you the badge of the First Vice-President of the American Bankers' Association; and I know, if any one has ever deserved the honor of this preferment by hard work in the service of the Association, by unselfish use of talent and time and money, to look after the various legislative interests of the Association, you are certainly the one; and it gives me pleasure, gentlemen, to introduce to you my friend as the First Vice-President of the Association!

MR. CHARLES A. HINSCH: Mr. Chairman and Gentlemen, I am deeply sensible of the great honor you have conferred upon me this afternoon and I will, with your co-operation and assistance—which you have always so generously given to me throughout the past year as Chairman of the Federal Legislative Committee—I will do the best within me to promote the interests of the American Bankers' Association during the coming year. I have been associated on the Executive Council, as you know, for the past three years, and I have enjoyed the work, and I am glad, indeed, to be able to, in this way, keep in touch with the activities of the Association.

I thank you kindly.

MR. LAW: President Lynch, I have a very delightful duty to perform at this time. You are just closing a term of office during one of the most remarkable periods in the history of this Association, a period unprecedented in the stirring events which have occurred in perfecting the business and the fortunes of the members of this Association.

During the year which has just passed, I feel that the Association has become important, through large opportunity, beyond anything it has ever done before. Its forces are now mobilized for work, all the banks and trust companies of this country have a better organization than they have ever had before. It also occurs to me that this Convention has reached the highest mark reached, in the quality of members which we have here and of the addresses which we have heard, and particularly in the frankness and cordiality of the discussion in which our members have participated. We feel a great deal of this is due to your personality. You are a man having convictions, and being a gentleman unafraid, you have never hesitated to express them. You will look back all your life upon this interesting period of your career, and we want to give you in trust a little token of our affection. We are giving it to your devoted and brilliant wife, but we are nominally giving it to you. And I trust, as the years go by, and this silver tea set is in your dining room, and your children and grandchildren use it, with you around the fireside, it will recall to your memory those friends who have learned to love you and whom I think constitute the greatest by-product of the American Bankers' life. (Applause.)

RETIRING PRESIDENT LYNCH: Mr. Law, and Gentlemen of the Convention: It is with great pleasure that I accept this gift in trust for my wife, with all that Mr. Law said of her—and more. I cannot profess the surprise that Presidents of the past have stated; I have seen it done so often, but nevertheless it is a great pleasure and a novelty. It has all the charm of the first sunrise, this presentation. But I assure you I appreciate this fine gift, and I congratulate the gentlemen who selected it for the taste which they have shown.

The year which has passed has been a very happy and a short one. The honor conferred upon me at Seattle was overwhelming. I realized my shortcomings and I further realized my distance from the banking centers of the country, that they would in some way mar my usefulness; but I have done my best to work for the Association; and if you feel I have achieved any measure of success such as Mr. Law is kind enough to say I did, I can assure you I am very happy, and I wish to assure you that this year of my Presidency will be one of the best recollections of my life. (Applause.)

MR. COX: Mr. President, I have been impressed for several days and particularly pleased at the attendance on this Convention of many ex-Presidents. In my attendance at conventions of the American Bankers' Association, I think I have never seen so many ex-Presidents on hand as we have had on this occasion. While they have been honored in the past with

the highest position within the gift of this Association, we have with us at this time Mr. George M. Reynolds, Mr. Arthur Reynolds, Mr. Watts, Mr. Livingston, Mr. Law, Mr. Walter Hill, and Mr. Swinney,—

RETIRING PRESIDENT LYNCH: And Mr. Lynch.

MR. COX: Yes, and Mr. Lynch. I move you, sir, as a manifestation of our appreciation of the presence of these gentlemen, and for their wise counsel, that we manifest our appreciation by a rising vote of thanks. (All rise.)

PRESIDENT GOEBEL: I thank you, gentlemen, for this manifestation.

MR. WALTER HILL: Ladies, Mr. President, and Brother Pawn Brokers:—I always put the women first, because without woman we would have no country, no banks, no nothing! (Laughter.)

It has been ten years since I have had the chance to look you gentlemen in the face and say one word to you. Many, many thoughts have come up in my mind that I am not going to take your time to give you this afternoon. It would take me ten years to do so.

I miss names that were not mentioned, but names that will be revered as long as this Association lasts. I will only mention two, because there are a great many of them: One of them is that giant among financial intellects, George H. Russell, and the other is that other intellectual giant, Joe Hendricks, of New York, who was born and raised in this great State, and although maimed in body he went to New York and became one of the greatest reformers, political reformers, in New York, and afterward became one of the greatest bankers in New York.

But I have got to talk upon a sentimental subject and I have before me a man who cannot and will not excite any sentiment in me. It is Mr. Fitzwillson. We were born in that great State which has made States and statesmen, when states and statesmen were made the foundation of this Government. We both have fed on peanuts and past recollections. He is forty-four years old, he says, but I have known him longer than that. (Laughter.) He is not married; I am sure it is not his error \* \* \*

Mr. Fitzwillson, I want to present to you—they call it a loving cup—I would rather present to you some charming woman and have her for your loving mate. You will never be a man unless you get it. I have peculiar feelings as to why you should make a combination here in this great Banking Association, with men that are fitted to rule the world. We never think about it. The Army and Navy, through Perry and Grant and Lee, are praised all over the world; but many a Grant and a Lee and a Perry have been in only financial wars, and I will mention two of them, one was George S. Coe, of the Exchange National Bank of New York, who died in 1891, and the other is Charles Fry, who died in 1894; they were both financial heroes.

(Addressing Mr. Fitzwillson): Mr. Fitzwillson, they told me to speak two minutes in presenting this gift to you. I want to present this loving cup, on which is this inscription: "Twenty years of Loyal Service and His Twenty-first Convention." Mr. Wilson asked me to say this, hence I say it.

MR. WILLIAM FITZWILSON: Gentlemen, I sincerely appreciate this token and I shall prize it always. I have enjoyed my twenty years, or my twenty-one years, with the American Bankers' Association, more than I can tell you, and I desire simply to thank you for this lovely token.

I thank you very much.

PRESIDENT GOEBEL: Next on the program is "Communications." The General Secretary informs me there are none. Next is "Announcements."

THE GENERAL SECRETARY: I desire to make an announcement that the new Executive Council will meet in the Francis I Room in the Baltimore Hotel one-half an hour after the adjournment of this Convention, for the temporary organization of the Council. I trust every member of the Council will be there.

PRESIDENT GOEBEL: Is there anything further? If not, a motion to adjourn will be in order.

(Motion made, seconded and carried to adjourn.)

Convention adjourned.



# CLEARING HOUSE SECTION

## AMERICAN BANKERS' ASSOCIATION

Tenth Annual Meeting, Held in Kansas City, Mo., September 26, 1916

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### *Exchange Charges, Country Clearing Houses, and Settlement of Balances*

By JOSEPH WAYNE, JR., President, Girard National Bank, Philadelphia.

Your Committee on Arrangements has allotted to me the pleasant task of discoursing on the subject of "Exchange Charges, Country Clearing Houses and Settlement of Balances."

I feel that instead of making a business address on these subjects, I am more called upon to make a funeral oration over the remains of one of our departed friends, as the matters referred to are more or less dead issues, and relate to the business of banking as it was conducted during the dark ages existing prior to the time the Federal Reserve Act was thrust upon us by a benevolent Congress.

The question of exchange charges, however, may well be of interest at this time, as the Federal Reserve Clearing Plan has forced upon us a considerable readjustment of exchange relations.

The much heralded par clearing plan does not offer par collection facilities as our customers and the public understand the word par. To them the word implies no costs, but unfortunately that portion of exchange charges formerly based on service and allowance to cover items in course of collection still remains to be provided for. The Federal Reserve Banks are accepting checks from member banks at par as to exchange, but they are not actually accepting checks at par when making a service charge, and not giving immediate credit for deposit of out-of-town items for reserve purposes. The bank realizing what the par feature of the Federal Reserve Clearing Plan actually means is the paying bank whose income from collection or exchange business has been legislated out of commission.

The Federal Reserve Act has much to commend it, but one of the most objectionable features in connection with the passage of that Act was the evident intent of its framers to break up the inter-relations existing between the banks of this country, on the ground that such relationships were prejudicial to the smaller banks and to the public, but are they?

The banking structure of this country is entirely unlike that of any other country, in that we have over twenty thousand separate financial institutions, all endeavoring in their humble way to serve the community in which they may be located. To give satisfactory

service to customers it was necessary for each and every banking institution to have close relations with one or many other banks or bankers, in order to have an outlet through which the miscellaneous checks and other items deposited by customers might be collected. The records of all our older banks show that since the beginning of banking in this country, banks have found it necessary to maintain relations with banks in other centers to clear the business of their depositors, and as the country has grown so has necessity for more and more connections grown, until we reached the highly developed inter-bank relationships existing at the time the Federal Reserve Act was put into effect. To say that this relationship was a menace to the public and to the smaller banks, as was claimed by the sponsors of the Act, was a gross injustice to the bank officials of this country and to the intelligence of the customers they serve.

The checks, drafts, notes and other papers received on deposit by our banks must of necessity be presented for payment at the bank or point on which they may be drawn, and through the channels of our inter-bank relationship these banking papers were presented for payment. The bank making the collection and remitting the funds to the bank requiring this service naturally made a charge for services rendered, and while this may have been termed a service charge, it has been known in our profession as an exchange charge. The fairness of these charges was in the majority of cases never questioned, but where so many banks were concerned and such a multitude of transactions involved, some cases of extortionate charges were bound to appear, but this is no reason why our mutual relations should be ruthlessly discarded. You will never get the same personal service through the Federal Reserve Banks that you have enjoyed in your dealings with banks of your own choice. Competition has given us in many ways an ideal system, as your wants have been catered to by banks that were eager to secure your business, facilities have been offered you without charge that you should have been glad to pay for, and as a consequence your customers indirectly received the advantage of the competition existing.

The Federal Reserve Banks have very little interest in your affairs outside of seeing that you maintain with them the reserve required by law and that you pay for any service required. This is all right in its way, as the Federal Reserve Banks have no favorites, and we should each one of us pay for what service we require from them; but are we in America going to eliminate by government mandate all the expenses in business that are the results of competition? Most decidedly not, and if not, why should we be compelled to eliminate from our business a charge for services that produced a revenue for facilities extended?

City banks charging customers on out-of-town items generally computed exchange rates on a basis of service expenses, plus loss of interest in transit, plus charge made by the bank remitting. The charge made by the bank remitting being figured on the cost of shipping cash to its reserve agents, plus service, and a small allowance for profit. On this basis the only bank making a profit was the bank actually making the charge for remittance, as the bank charging its customers on the deposit of out-of-town items merely exacted the cost it incurred converting out-of-town items into bankable funds. The only change effected by the Federal Reserve Clearing Plan is to deprive the remitting bank of any opportunity of profiting by the transfer of funds from point to point, as this may now be accomplished through the clearing plan at par as to exchange, by the elimination of the charge formerly made by the remitting bank. That portion of exchange charges based on service and loss of interest in transit have, however, not been eliminated, but have been augmented by the addition of the service charge made by the Federal Reserve Banks. The result being that banks formerly charging exchange to customers on their deposits of out-of-town checks have been able to reduce charges somewhat, but only at the expense of their out-of-town banking friends.

It is also well to remember that the collection facilities available through the Federal Reserve Banks cover checks only, and that our banks must continue to maintain expensive collection departments and facilities for clearing checks that will not be accepted by the reserve banks, and for the handling of notes, drafts, coupons, etc., all of which are a vitally important part of the service demanded and required by your customers, and a service for which a bank must in some way receive compensation.

The purpose of incorporating in the Federal Reserve Act a Clearing Plan was to benefit the smaller banks and the business community at the expense of the larger city institutions. The act has, however, evidently missed fire, as the only organized opposition to the enactment of the No Exchange Clearing Plan has come from the country bankers, who are being deprived of income from collection business formerly handled for the Reserve and other City banks.

The plan for clearing checks on member banks, and other financial institutions that have charitably agreed to abide by its requirements, has been effective since July 15th last. As a consequence exchange charges bring up a very sore subject to many bankers, as the charging of exchange was, up to a few months ago, considered a just recompense for services rendered, and the income derived from those charges was part of the legitimate income of a considerable number of our banks, and one that was fairly earned.

The exchange relations existing between financial institutions were the outcome of years of competition and competitive service, and very few of the large army of depositors in our banks, outside of those in some of our larger cities, were aware that any expense entered into the collection of checks and other items passed to their credit at par.

The collection business of this country cannot be handled without expense, the only question is—who is to foot the bill? Theoretically, the customer depositing the checks or collections should pay for the service required, but in a great majority of cases competition has ruled otherwise. The business of a customer maintaining a valuable account has been desirable, consequently in consideration of his paying business banks have been willing to accept his deposit of out-of-town items at par, notwithstanding the fact that the bank may have been put to considerable expense in collecting his business. Banks maintaining desirable accounts with other banks in reserve cities have received similar treatment, not that there was no expense attached to collecting deposits of out-of-town items, but this expense could be absorbed by the city bank if adequate balances were maintained. Again, in order to secure and properly serve out-of-town bank accounts, Reserve City Banks were of necessity obliged to open collection accounts with banks at other points, where they had items to be cleared, and were willing to allow a commission or exchange for the facilities they required, as they could hardly expect to obtain them in any other way. All this accrued to the benefit of the out-of-town or country banker and at the expense of the City banks.

The practical working of the Federal Reserve Clearing Plan results in the customer of the City bank or the City bank itself being relieved of a great part of this expense and eliminates the profit formerly made by the country banker out of the City banker, in consideration of the services the country banker was able to extend.

This beautiful Clearing Plan may be theoretically perfect and the last word in banking, but I do not approve of it for the reason that it tends toward taking the initiative out of our business. Add to the Clearing Plan a Guarantee of Deposits, regulate the interest we may allow on deposits and fix the rate we must charge on loans, and your picture is complete, but you have taken the pep entirely out of our business and we become mere automatons.

The Federal Reserve scheme at present reminds me very much of a graveyard. Many of those within would prefer to be without, and there is nothing very alluring within its scope to encourage State Banks and Trust Companies to enter, but there is hope even the most unattractive graveyard presents possibilities. My opinion is that the clearing plan never should have been incorporated in the Federal Reserve Act, and further that the Act should have permitted banks to maintain a portion of their reserve with other banks, so that our inter-bank relationship might not have been disturbed and the collection proposition left to the individual banks to handle.

The Country Clearing Houses that were being organized throughout the country, were taking care of the check collection proposition long before the Federal Reserve Act butted in, and the bankers of the country could have settled their own exchange matters and at their own expense, or at least at an expense to their customers commensurate with services extended.

I don't think it necessary to dwell on the subject of country clearing houses for the collection of country checks, as conditions in different parts of the country vary widely, and what would meet the situation in Boston, New York or Philadelphia might not be adaptable to Kansas City, St. Louis or San Francisco. The bankers in any centre have the brains and the knowledge of conditions to meet their local needs, and we were progressing rapidly toward consummation of a comprehensive collection system among ourselves, before the Federal Reserve Act appeared in the field.

There is very little to be said concerning Settlement of Balances, usually the only thing to do is to pay what you owe in currency or in exchange that will be accept-



able to the creditor bank, when this has been done the settlement of balances has been accomplished, at least to the satisfaction of the creditor bank.

I would like to say a word concerning our inter-bank relationships and their value. The banks of this country are so closely woven together for their own protection and their mutual welfare, that in my opinion it is going to take more than one federal reserve act to make them dependent upon the Federal Reserve Banks, for all the facilities they now enjoy through reserve and other similar connections. When the Act is in full effect, and deposits with other banks become more due from banks, the real test will come, but as none of us can afford to keep larger balances with the Federal Reserve Banks than the law requires, we will still retain accounts to some extent with banks for the double purpose of securing interest on idle funds, and of securing the judgment of our banking connections on the question of credits and investments.

The banks in our larger cities have found it necessary to have highly specialized departments for the securing and tabulating of credit and investment information, which is theoretically at the service of their depositors and correspondents but practically at the command of the entire banking fraternity. The Federal Reserve Banks can't replace this service, and it cannot be maintained by us at its present efficiency if all deposits by banks should be transferred to the Reserve Banks. The profit of inter-bank relationships has been responsible for this valuable adjunct to bank equipment.

Then again I think it would be a very serious matter to the business community, if all reserves of all banks and trust companies were transferred to the Reserve Banks. These reserves constitute a large portion of the loanable funds available for investment by banks in commercial paper, take these reserve funds out of our banks, and you will seriously curtail their loaning ability to the detriment of the borrowing public.

If all bank reserves were transferred to the Federal Reserve Banks, the only way the funds could get back into circulation would be by the direct purchase of paper or loans by the Reserve Banks themselves, or by our buying the money back by re-discounting. The business community generally would prefer to have the purchasing power remain with the individual banks, and the banks would be very reluctant to re-discounting heavily in order to have funds for investment in commercial paper.

From the standpoint of the bankers, what is wrong with the Federal Reserve Clearing Plan? It only appeals to a few banks in the larger cities that never had any real collection facilities of their own, and to banks outside of the reserve cities that receive from their customers more items to be cleared than any of their reserve connections are able to accept at par, on balances maintained with reserve city banks.

In the first place the army of small banks suddenly find their revenue from collections practically cut off, when considering this, it is well to remember that these institutions have a place in the banking world. The

establishment of these small banks has been encouraged by national and state authorities, they serve communities where the possible income from loans is not sufficient to meet running expenses, so what incentive will there be to invest money in these small institutions?

To the numerous larger and well established banks it simply means cutting off revenue any banker is justly entitled to receive from a department of his bank that takes expensive equipment, time and money to properly run.

To the banks handling reserve deposits, it is also quite a serious matter, these banks after years of hard work secured at large expense, collection facilities to handle the business of the country. The Federal Reserve Act will practically transfer reserve deposits from these banks to the Federal Reserve Banks, forcing on us all, whether we like it or not, a collection system that no individual bank can hope to compete with in efficiency or as to cost, exchange being arbitrarily eliminated.

Reserve City Banks are now finding their well established collection arrangements a burden, instead of an aid to their business, and the result is bound to be a curtailment of these banks' activity in the collection field, at a direct loss to all banks concerned.

There is one thing that we must bear in mind, if we don't like the Clearing Plan we don't want to pour our displeasure on the heads of the Federal Reserve Board or on the officers of the Reserve Banks. The plan is incorporated in the Federal Reserve Act and there it will remain until it is removed or amended, and the Board and Reserve Bank officials can't be blamed for complying with its requirements.

Do we intend doing anything relative to this exchange matter? There has been a lot of idle talk about making checks circulate on the same basis as bank notes or other real money, it can't be done. A check is a check and it always will be, and is not money until it has been presented at the bank on which it is drawn and real money given in exchange. In arranging for this conversion and carrying it through, the banks of this country are most certainly entitled to compensation. The principle of private capital being compelled by law to furnish for nothing, to other privately owned business, facilities entailing a cost to the first named, is all wrong. Carried to the extreme as it may well be, it can only result in the withdrawal of capital from the business affected and its investment in more lucrative ventures.

In other words, I feel that the almost unlimited competition in the banking business precludes the idea of the business community being unfairly dealt with. Appreciating the good features of our esteemed but much abused Federal Reserve Act, I am very fearful that it is only the first step toward endeavoring to place the banks of this country under control of those who have very little interest in the development of our institutions, but who are more interested in throttling individual activities on the part of those capable of serving the community, not only to its entire satisfaction but to its greater advantage.

## *Necessity for Credit Statements and Uniformity Thereof from Standpoint of the City Banker*

BY W. W. SMITH, Vice-President Third National Bank, St. Louis

I have been requested to discuss, from the standpoint of the city banker, the "Necessity for Credit Statements and Desirability of Uniformity Thereof." The subject is most vital to the banker and, with the increasing scope of our commercial operations, of growing importance to the borrower in every character of business.

Mr. Warburg has recently urged national standardization of credit as a condition precedent to national uniformity of discount rates. Contemporaneously, this eminent authority on banking is quoted as being fearful, should the state banks continue in their refusal to join the Reserve System, that their applications cannot be accommodated in a time of stress.

It is an agreed fact that there cannot be either standardization or uniformity in American banking without the co-operation of state banks with the Reserve System and, in order to prepare for the financial strain which will follow the cessation of hostilities in Europe, it is absolutely necessary that the two arms of American banking should co-ordinate.

In considering the desirability of uniform statements, it is well to realize that it is only within the past twenty years that the bankers of this country have requested written statements, and not until the year 1899 did the American Bankers' Association lend its approval to a standard financial statement blank; but with the opening of the Federal Reserve Banks, and the requirement of the Federal Reserve Board that practically all borrowers whose paper is submitted for rediscount furnish written statements showing a proper ratio of quick assets to liabilities, we have entered an era where the borrower that refuses to make a statement has very little, if any, credit standing, and I am sure that, with the rapidly increasing volume of commercial paper and trade acceptances, we are approaching a time when the banker will discriminate against the paper of the borrower, which is unaccompanied by a form of statement that will be standard from the Atlantic to the Pacific.

I am advised that the New York Stock Exchange Listing Committee is now requesting companies seeking to list their shares on the exchange to make semi-annual or quarterly reports of earnings.

The banking experience of many of those present includes the period when first the customer whispered to the President or Cashier of his bank a brief outline of the assets and liabilities; later furnished a slip of paper with a partial statement of the condition of the business, which gave way to the detailed financial statement,—these having been superseded in many instances by the figures submitted over the certificate of public accountants. These changes were not, as far as they should have been, the result of concerted demand upon the part of our financiers, but the beneficial result of the many serious losses sustained through out ever recurring financial panics. We are all too prone to let well enough alone, and I can state without fear of contradiction that we bankers, owing to our fear of competition, would not have been as rigid in our present requirements of financial statements if the losses resulting from violent financial reverses had not, from the standpoint of self-preservation, necessitated positive action.

Each progressive step in obtaining and checking credit information and the compiling and analyzing of same has been slow but certain, but there has been practically no

concerted demand for information in a standardized form. In my estimation one of the most progressive steps taken by the bankers within the past twelve years has been the appointment of Clearing House bank examiners, and to-day we have the associated banks in seventeen cities employing experts to make periodical examination. With the co-operation of these practical men, we should have no difficulty in selecting a uniform financial statement which would meet the requirements of the commerce of this country. True, a great deal of missionary work has been done by the various Clearing House bank examiners and, with the co-operation of the bankers and the Federal Reserve Board, we hope to look forward at no distant date to the adoption of a uniform financial statement.

Inquiries from seventeen cities maintaining Clearing House bank examiners reveal the fact that in only two has the Clearing House required the member banks to obtain financial statements of all unsecured borrowers, but in only one has a standardized form of statement been adopted.

Simultaneously with the opening of the Federal Reserve Banks, the bankers of this country were confronted with materially reduced interest rates, due to the increase in loanable funds owing to the reduction in reserve requirements, which has been steadily augmented by the enormous gold shipments received from European countries,—we to-day holding approximately one-third of the world's gold supply. This condition has resulted in lower rates for credit accommodation than were probably ever experienced for the same length of time. Competition always results in the "survival of the fittest," and the current of desirable business follows the direction of cheaper interest rates. It will, therefore, be necessary for the banker, in order to maintain his former earning power, to increase the volume of his business, reduce the overhead expense and, as far as possible, eliminate his losses.

Our subject permits of a discussion of only the plans to be offered to reduce to a minimum those all too frequent items, which must be charged to "Profit and Loss."

The trend of the times is unmistakable. We are slowly but surely reaching that enviable condition when all lines of credit will be granted upon the basis of detailed financial statements, standardized as to form, certified by a public accountant as to its correctness, accompanied by an appraisal of assets by a competent appraiser, with the validity of the notes of the borrower authenticated by a responsible registrar.

I realize fully that I have struck neither a new nor a "lost chord" (and am sure not a false one), but in order to make our suggestions bear fruit we must have co-operation. Without it we can have no measure of success, and when a canvass of seventeen Clearing House bank examiners brings a unanimous approval of the necessity for uniform financial statements, I feel that the Clearing House Section of the American Bankers' Association must request the adoption of a standardized form by the Federal Reserve Board.

The time for action in this connection was never more opportune, as a committee of Federal Reserve Agents will meet in October to consider the adoption of standardized statements, and I believe would welcome any suggestions bearing on the subject which this body would care to submit.



It will no doubt be suggested by some that a given form cannot be made available for every type of business. By the suggestion of uniform statements, it is not intended that only one form shall be used; but the complete statement blanks that have been adopted by the banks associated with the Cleveland Clearing House have proven so successful that the division of financial statements into forms for individuals, partnerships and corporations can, in my judgment, be safely adopted, including appropriate blanks for additional data which, owing to local conditions, would make them capable of covering credit data considered necessary by bankers in any section of our country.

Not many years ago, through the exactions of the Interstate Commerce Commission, the great railroads of this country were required, not only to standardize their statements, but were compelled to a certain extent to introduce uniform methods of accounting. Many railroad officials complained that for some particular reason or other, the affairs of their companies could not be intelligently reported on the forms adopted; but after a thorough trial we have to-day a standardized form of railroad financial statements, which are not only comprehensible to the layman but owing to the uniform manner in which the data is arranged prove of the utmost value to the railroad managers in making comparative estimates of the workings of the various departments between competitive properties,—thus resulting in a higher standard of operation than existed prior to the adoption of uniform statements.

There is no doubt that the Federal Reserve Board would welcome the adoption of a standardized statement of borrowers, and I feel sure that no greater protection could be afforded the American bankers than the adoption by the Reserve Board of a requirement to that effect, making the filing of such a form of statement a condition precedent to discounting paper with the Reserve Banks.

As our time is limited, we will not endeavor to itemize every requirement of information this statement should contain; but we cannot leave the discussion of the details without offering the following suggestions to be embodied in all standardized forms.

Inquiry should be made to determine if the "cash" is subject to any liens.

The accounts and bills receivable should be accompanied by details as to whether they are hypothecated; the amount due from officers, directors, employees and subsidiaries should be clearly stated.

Under inventory we should require information as to raw and unfinished merchandise, and basis of value.

We will deal later with the appraisal of assets.

Likewise, detailed information with reference to investments should be required, as often the ownership of stock in an allied corporation may prove indirectly a liability instead of an asset, due to the fact that obligations of that corporation may have been guaranteed or endorsed by the borrower under consideration.

So, also, should full information be given with regard to lands, buildings and machinery, and in no case should the net amount or equity be shown, but full details and descriptions of the property, together with data covering the indebtedness against same.

The details of the liabilities have not in the past received the same degree of scrutiny as the assets, but in my opinion their investigation is of equal importance. Our form of statement should by all means show if notes are given for merchandise, and the banker should know if it is customary to pay by notes in the particular line of business.

Details of notes payable, the amount due to officers, employees and the members of their families should be itemized; the amount due banks and brokers should be

clearly stated, with information as to the maturities of these obligations.

The amount of accounts payable, past due.

The details of any mortgages or liens on fixed or current assets.

Amount of receivables discounted or pledged.

Amount of endorsements or guarantees.

Terms of lease, if any property occupied is not owned.

While the asset and liability statement is the one usually submitted as a basis for credit, in my judgment the statement of income and expense is almost indispensable to the banker in considering a line of credit. The one reflects a condition on a given date; the other how that condition was made possible, and to a great extent suggests a healthy or unhealthy trend of the business.

Every banker would prefer the credit risk offered by a growing business, with steady and substantial profits, although somewhat lacking in the usually desired ratio of quick assets to current liabilities, to one showing the required margin where the Profit and Loss Account indicates operations at a steady loss; the one insuring a desirable future connection; the other fraught with worry and possible ultimate loss.

Complete information should be obtained relative to insurance of all kinds on buildings, machinery and merchandise, (fire losses in our country reaching the alarming sum of approximately \$200,000,000 per annum). The necessity of insurance on the lives of corporation managers and partners has survived the experimental stage, and is to-day recognized by all far-sighted bankers, for we are confronted with the fact that, while a fire may never occur, death is inevitable. Too frequently the affairs of our great corporations are directed chiefly, if not wholly, by a single manager, whose death means heavy financial loss which should be covered by business insurance.

The death of a member of a firm, in addition to the loss of his active co-operation in the management, may involve the withdrawal of his capital from the business. How often in our checking of the corporations and firms selling paper on the open market, do we find the suggestion that this or that banker (owing to the death of the founder or manager of the business under investigation) has discontinued purchasing the note until such time as the new organization has shown its ability to safely handle its affairs. This situation would be materially improved if, in response to our inquiry, we were advised that the company, while losing a capable official, had collected a large sum of life insurance.

Appraisal of Assets: In my judgment far too little attention has been given to this vital element in our consideration of a credit risk. Approximately fifty per cent. of the liquid assets of our large corporations are made up of merchandise and raw material, and the valuation of same is left to the judgment of an accountant, who too frequently is incompetent to in any degree approximate their true value. In other instances, the accountant often states that the inventory has been certified to him by a responsible representative of the borrower whose affairs are under investigation, and what avails it to have complete data with reference to the cash, bills and accounts receivable, if we are ignorant of the value of the investment.

In the famous English case of the Kingston Cotton Mills, Lord Justice Lindley stated: "It is no part of an auditor's duty to take stock; no one contends that it is. He must rely on other people for the details of the stock in trade on hand." . . . In this case the Associate Justice, L. J. Lopez, so well defined the position and responsibility of auditors that it would be advisable for every banker to read the decision, carefully noting the limitation of responsibility of auditors before the English Courts.

This opinion was followed by the Irish Courts and reaffirmed lately in the case of Mead vs. Ball, Baker & Co.,

by Lord Chief Justice Alverston; and while this point has not, as far as I have been able to ascertain, been raised in an American Court, I am of the opinion that if the issue were to be passed upon it would be decided in accordance with the English precedents.

Therefore, it is necessary that we co-operate in requiring the services of trained appraisers, who are specialists in all important lines of business, who shall shoulder the responsibility for which the auditor is at present not legally bound.

This weakness in our investigation of credit risks has already been recognized by some of our more progressive bankers and they have, as an adjunct to their "Credit Department," employed experts in various lines, whose duty it is to make a detailed appraisal of the assets of the proposed borrower in conjunction with the work of the Certified Public Accountant.

I am strongly in favor of the results accomplished by many of our Certified Public Accountants and hope that I will not be misunderstood when making the suggestion that in many instances the banker relies too much upon an audited statement, indicating a desire to accept the audited statement as a "cure all" and not a safe-guard; but experience has taught that it is merely an additional line of information, and not, in any sense, a guarantee of value. A few years ago a number of the bankers of this country suffered severe losses through the failure of a large corporation, the audited statement of which indicated quick assets of three and one-half times its liabilities, but up to this time there is no indication that the creditors will receive over thirty cents on the dollar.

I would like to digress for a moment in order to make a suggestion, which I believe is of the utmost importance to every American banker and business man.

Shortly after the commencement of the European War we experienced a wonderful revival of trade and commerce in practically every line of business out of all proportion to fundamental conditions; this has resulted in the highest wage scale ever known in this or any other country, greatly increased railroad earnings,—an increase in commodity prices in many instances of over one hundred per cent. There is no line of business that has

not felt this enormous impetus, and at this writing the advance orders are as great as at any time in history. We know this condition cannot continue indefinitely; you have all witnessed in the past the periods of remarkable expansion and inflation, followed as certain as night follows day by the resultant period of depression.

There is a burden imposed on every American banker, not only to safeguard the interest of his particular bank but a higher responsibility,—a patriotic duty to protect the financial structure of our nation, and I feel that in no way can we be of such invaluable service to our country than to inculcate in the minds of the merchant and manufacturer a spirit of conservatism. There is a tendency to pay enormous dividends, to increase plant expenditures, to buy raw material at extremely high prices for months in advance, a disposition to raise wages to a point that normal business cannot maintain.

While I do not wish to be considered a pessimist, I am of the opinion that it is a duty we owe our customers to suggest and counsel policies which will result in such protective measures as will enable them to contract their business as successfully as they have been expanding it during the past eighteen months.

The word "preparedness" has been applied to activities in so many different directions of late; on the one hand, we find co-operation of our great engineers and scientists with the military authorities, a thorough canvass of our railroad situation in reference to the ability to mobilize and handle our armies, should the necessity arise, but the banker should also adopt a measure of preparedness, not for a war of defense or military aggression, but to furnish the sinews of war to our merchants and manufacturers in waging that contest for commercial supremacy which will naturally arise when the armies of Europe return to peaceful pursuits and bend all of their untiring energies in an attempt to acquire the commerce which we are so hopeful of securing.

I believe that we bankers can in no way lend greater service to the commerce of our country than to require a standardized form of financial statement which will result in the immediate extension of credit, even in times of stress, to all deserving borrowers.

## *Necessity for Credit Statements, and Uniformity Thereof from Standpoint of Merchant*

By R. A. LONG, President of the Long Bell Lumber Co. of Kansas City.

As I understand it, faith is the primary basis of all credit. Faith, not in honesty alone, but honesty coupled with business ability (and this implies not only soundness of judgment, but industry, persistency, and a tactful disposition) supported by methodical or systematic system of accounting that one may know at a glance the condition of his business.

One may be honest and yet, if not possessed of good judgment, he fails.

One may be honest, possessed of good judgment, but fail because of lack of industry.

One may be honest, possessed of good judgment, industrious, but lacking in persistency, and failure eventually follows.

One may be honest, possessed of good judgment, industrious, persistent, but in disposition very faulty, unreasonable in his demands, thus making enemies both in and out of his organization, hence success is not his in very large degree.

One may be possessed of all these attributes, but lacking in the use of a methodical or systematic plan of ac-

counting, thereby fails to know many things about his business that should be known, and hence does not attain the large degree of success that would otherwise apply, and so it seems to me that all of the attributes mentioned are necessary in order that one may establish an outstanding, enviable credit; and yet one might possess all of such attributes and not be entitled to a comparatively large credit, unless supported by a carefully prepared statement of his resources and liabilities, for without such a statement his banker, or person of whom he might solicit loans, could not correctly measure the security offered, hence to be safe, would limit the amount to be loaned to the side of extreme conservatism, possibly, as compared with the credit that might have been extended had a statement of the exact financial condition of the would-be borrower been furnished. With such a statement before the person of whom credit is sought, especially if the attributes heretofore mentioned are possessed in a reasonable degree, in the large majority of cases, the borrower will be treated as liberally as he might have a right to expect.



It is needless to say such a statement should be prepared methodically and in a manner most easily understood, and the value assigned to each item, under, rather than in excess of its real worth, for a shrewd credit man will soon be able to discern the inclination of the borrower in this direction, and if he finds a disposition to stuff the statement, so to speak, his suspicions will be aroused, and the natural tendency would be to discredit the whole statement.

It is to the advantage of the borrower to prepare such a statement at least as often as once annually, for the reason that:—

1st. In order to make a statement that is true and correct, and do it readily, his accounts must be conducted so as to accurately, plainly and minutely set forth the business done from day to day, and the possession of such a record is of great assistance to the owner or manager in discovering leaks, or troubles leading to losses, for often large losses are sustained, especially in an active business, because of the lack of knowledge on the part of the responsible head of the details of his business. I once heard a representative of a large manufacturing concern say that his "company experienced no difficulty in competing with well-managed companies, those who fully understood their business; the most vexatious problem being competition with those manufacturers who kept on making money until they reached bankruptcy." This statement couples with the thought expressed by Edward N. Hurley, Chairman of the Federal Trade Commission, before the Boston Commercial Club on March 28th of this year. Mr. Hurley said:—"Out of sixty thousand successful corporations doing a business of \$100,000.00 a year, thirty thousand charged off no depreciation whatever; that only 10 per cent of our manufacturers and merchants know the actual cost to manufacture and sell their product, 40 per cent estimate what their costs are, and 50 per cent have no method, but price their goods arbitrarily. Most of the manufacturers and merchants who do not know what their goods cost are basing their selling price on what their competitors sell for, and with only this knowledge for a basis, they are frequently cutting prices and demoralizing the industry in which they are engaged."

2nd. The very fact that such statements are to be made annually and submitted to one's banker doubtless has a tendency in many cases (and I should not be surprised, in the majority) to cause the more ambitious business men to go a little slower (such men need to be checked up occasionally) in extending their business, and hence their credit, than would otherwise apply, and possibly thereby save them from at least serious financial distress, if not failure.

3rd. In the furnishing of credit statements it gives your banker a good understanding of what you are doing, and makes it possible for him to give advice at times that might be helpful, for, in fact, the interests of the banker and his customer are, or should be, very closely allied. In truth, even though one may not be for the moment a borrower, we believe it well that he voluntarily supply his banker with a carefully prepared financial statement of his condition, for, added to the benefit which would probably come as the result of a careful study of the details of his business in the preparation of the statement, is the decided advantage

of the close contact and relationship thus established between the two parties. Business men are being inquired about constantly as to their financial responsibility by other men in business, and the banker is the usual source of such inquiries, and so it is much better for the banker to be able to say something positive in answering such inquiries, than to be unable to say anything; and again, in most any large, well-conducted business, the time is most likely to come when money may be borrowed to advantage, and when the standing of one's business warrants a banker in extending credit. If such an applicant, although not a borrower commonly, has in fair and open way gained the banker's interest and attention by his foresight in supplying such statements, kept him in touch with his affairs, and acquainted with his progress, he is almost assured of receiving credit to the fullest extent he is entitled to, for the mere asking.

Naturally, the banker should be cautious in extending loans, even to customers that have before carried satisfactory balances, especially the one who has not taken his banker into his confidence, but held aloof with his credit statements until such time as he might be seeking accommodation. Particularly in times of emergency does the man in close touch with his banker have the advantage of the one who is not. It should be well understood that it is a source of great satisfaction to have a credit established when requiring its use, rather than waiting to do so until needed.

Pertaining to "the desirability for uniformity in statements," I take it that uniform statements are needed more for the use of the banker than for the borrower, and yet, applying this thought directly to the borrower, it would seem advisable that his statements should be uniform from year to year, so that inturning from the current statement back to the statements of previous years, the directing head of an institution could the more readily see the changes that were material and well for him to understand, or know about, than would be true if the statements were not uniform, or were changing from time to time.

Again, the more uniform the statements, the easier they are to check and the more intelligently understood, and a proper understanding of such statements is certainly very essential to both interests, viz: the lender and the borrower. In short, a standardization or uniformity of balance sheets arising from systematic accounting I believe is one of the forward steps of the age, and will save a vast amount of time in examination, hence conserve mental energy, and make more readily possible the rendering of more intelligent decisions as to the exact condition of a given business.

Finally, every man should be sensibly ambitious to accomplish with the talents that are his the greatest possibilities in his line of honest activities, and hence should pursue that course that will produce such results, and since in the commercial world the most of us need to use our credit, and many of us in large way, we should not hesitate to set forth in the plainest, frankest manner a complete statement of what we have and what we owe, and in uniform way, from time to time, for by so doing it is my unqualified opinion that we thereby establish a basis to accomplish our greatest possibilities.

## *The Necessity of Credit Statements from the Standpoint of the Country Banker.*

By W. C. GORDON, Cashier Farmers Savings Bank, Marshall, Mo.

It has frequently been declared that two of the most important governing principles in modern business are efficiency and accuracy. The prevalent settled tendency in all commercial activity is unmistakably toward the elimination of waste and uncertainty in methods, thereby making reasonably sure from the outset that the object in view shall be accomplished quickly, definitely and inevitably. Approximation in plans and loose, haphazard methods of execution are no longer tolerated. The complexity of modern business, with its ramifications ever increasing as our civilization advances and develops, demands that certainty and directness be characteristic of every important undertaking.

In no other field of commercial activity may this be seen and understood more clearly than in that of banking. A review of the past twenty-five or thirty years will reveal a marvelous development in the details, if not the theory, of banking practice. Changing conditions and the obstruction of perplexing problems have necessitated the contribution of much serious thought on the part of financiers, not only for their own protection but that the best interests of their patrons may be conserved. The mere mental contemplation of the vast resources, in money and securities, controlled by any one of the large banks of this country, is calculated to produce in the minds of the uninitiated a feeling of awe and amazement. Even a casual investigation of the daily routine operations in the various departments of such an institution will but serve to magnify that impression or wonderment. Here, if anywhere, efficiency, accuracy, tact and sound judgment are prime requisites. And if this be true of the large banks in the cities, it is equally the case, though in less degree perhaps, that the same qualities of thoroughness be manifested in the smaller institutions in the country.

Confidence and credit are the two chief stones in the foundation upon which any bank successfully rears its financial edifice. Confidence is a possession of the public which the bank serves, much courted by the latter, for in its wake follow deposits of money and loyal patronage. It is a sensitive and timid thing, bestowing its favor only upon those institutions which have ample resources and are officered by men of integrity, courtesy and good judgment who pursue a policy that is liberal though always safely conservative. Credit, on the other hand, in a financial sense, is but confidence of a different kind, bestowed by banks and other business concerns upon customers who seek temporary accommodation in the way of financial assistance. It also is, or should be, characterized by caution and reserve, yielding itself only to those whose moral and material worth justify its possession and use. There is need that it be jealously guarded by every bank. Its proper employment gauges the success and prosperity of the institution, constituting, as it does, the source of certain and gratifying revenue, while the reckless extension of it, where undeserved, brings inevitable worry and often serious loss.

In this present discussion we are chiefly interested in the extension of credit by country banks to their customers and the means for its proper safeguarding. It is almost a truism to state that there is no bank which has not always kept some sort of a repository for information regarding the financial worth of prospective borrowers, to be drawn upon when accommodation is

asked. Until quite recently, in very many country banks, this storehouse has been a nook in the brain of the cashier or some other active officer. The precariousness of such a practice is too self-evident to need much comment. Except he be a genius at details, no bank officer can carry constantly within his mind full and accurate information as to the financial responsibility of the many applicants for credit with whom he has to deal. At best his conception of their credit worth is but a general impression which often proves decidedly insufficient. Moreover, by reason of the changeableness of things, the time must eventually come when this sole custodian of the bank's credit data will be removed by death or otherwise. The bank is thus deprived of valuable and vital information, to the permanent possession of which it is clearly entitled. The possibility of a contingency like this arising, together with the increasing complexity of business procedure, has brought a realization that credit information, to be of definite value to a bank, must be recorded in writing and preserved for analysis and reference. In matters of this kind it is too uncertain to have "memory as the only reference and intuition as the only guide."

Again, the obtaining of credit statements from borrowers is a valuable protection to the directors of a bank. In city banks, a committee of the directors meets regularly to pass on applications for loans, considering at those times the credit data which has been compiled. In country banks the common practice is for directors to meet once a month, perhaps, listen to the reading of a list of the loans made since the last session and give a perfunctory approval to them, often without close investigation. A realization of their legal liability in case the solvency of the bank is threatened by bad loans would doubtless induce all directors of banks to insist on the compilation and recording of credit data.

The reasonableness of a bank's request for a written statement from a borrower as to his financial condition should be apparent to any just and right thinking individual. A bank's resources are not essentially its own. Its capital and surplus belong to shareholders. Its deposits are the property of its patrons. It therefore exercises a sort of trusteeship for the public and is custodian of the funds of others. In the lending of this money for any purpose it is imperative that the bank use all due precaution to guarantee its repayment in full at a specified time. This can only be accomplished by having full information as to the worth and ability to repay of the individual seeking the loan. Such assurance can be definitely given only through the medium of detailed credit statements in writing, obtained from the borrower and analyzed and verified by the bank. The bank, in extending credit, becomes in a sense a partner in the business of the borrower for the time being, and as such certainly has a right to know the solvency and prospects of the enterprise in which he is engaging together with the moral and financial worth of the person or persons with whom it is associated.

The furnishing of credit statements is often of decided advantage to the borrower as well as a protection to the bank. Every worthy banker is, or may be, the confidant of his customers. Why, therefore, should it be unreasonable for a borrower to acquaint his banker fully with his true financial condition and the specific purpose for



which accommodation is sought if he is honest and financially responsible, the disclosure cannot injure him. If he is unscrupulous and insolvent, most assuredly the banker needs to have knowledge of all the facts in making his decision to withhold or extend the credit asked for. Frequently it occurs that the making of a credit statement to a bank which is subjected to a thorough analysis, gives to a borrower the first intimation of his real financial condition. It may be, also, that this analysis of the statement may enable the banker, through his experience in such matters and his unbiased judgment, to point out defects and wrong practices, which, if persisted in, might eventually lead to disaster to the borrower.

The difficulties confronting the country banker in securing credit statements from customers differ in degree only from those which the city banker must encounter. Both deal with individuals, firms and corporations. The purposes for which money is desired and the proportionate amount of credit which may be extended are similar. As a rule country merchants and manufacturing concerns which keep books regularly, take inventories and make commercial reports do not object seriously to making credit statements to banks, for they can see the wisdom and reasonableness of such a thing. The country banker may meet a real problem, however, when he endeavors to persuade his farmer customers that credit statements in writing from them would go far toward materially lightening the burdens of banking. Frequently, such a request is met with an instant and indignant declination. Accompanying this is an air of injured pride and an unconcealed conviction that an attempt is being made to reflect on his integrity and standing in the community. The less tact used by the banker approaching the subject, the greater the indignation registered by the customer.

There are three reasons for this attitude on the part of farmer customers. In the first place, few farmers keep books on themselves or even make a record of their operations, consequently they are unable to furnish a correct detailed statement of their financial condition. Agriculture and stock raising are as much a serious business as any other enterprise. Much stress is now being placed on farm accounting and when the practice of this principle becomes general, farmers will see the wisdom of it and be able to compute the gain or loss in their operations for the year. They will not then decline to make statements because of an unwillingness to admit their neglect of a necessary business habit.

In the second place, there are two things about which any sane human being is naturally reticent, viz., his family and financial affairs. An attempt to pry into either is met with an immediate rebuff. As soon as the farmer is convinced, by reasonable arguments, of the business necessity for showing his financial condition when credit is applied for, and that the request is not made in an effort to meddle in his affairs, this antipathy will likely disappear.

The last, and in some ways, the most serious difficulty encountered in securing credit statements from borrowers by country banks is due to the fact that competition for business between banks has had a tendency to spoil borrowers and give them a somewhat exaggerated idea of their desirability as customers. The multiplication of banks in some communities and the ruinous rivalry between them has produced over-expansion of credit and a lowering of interest rates. In many cases this practice has produced a situation wherein the borrower, though a seeker of needed accommodation, has attempted to dominate the banker by threatening to transfer his business to another institution where he claims to have received the assurance that his wishes will be acceded to. In too many instances the imminent catastrophe has been averted by a complete surrender of position and

principle by the banker and a withdrawal of the request for a detailed credit statement. There is certainly need of co-operation by banks located in the same community to prevent abuses of this kind. An agreement made and rigidly adhered to not to accept a customer of another bank unless he shall have severed his connection with that institution for the most legitimate reasons, would do much to preserve the rights of banks in a community as related to their borrowing customers.

Generally speaking, all the difficulties mentioned may be successfully obviated by the use of reasonable arguments, tact and diplomacy in broaching the subject of credit statements. After all, success in this direction is a matter of education and involves the use of a method suited to the particular case in hand. Little trouble should be met in getting statements from those making a first application for credit. Borrowers of long standing, who have been accustomed to receive accommodation on a mere statement of their needs, may marvel at the innovation of written statements for a while and even combat the idea, but tactful handling of the situation will doubtless result in attaining the desired result.

The sources from which may be obtained all the information needed by a country bank in determining the credit responsibility of borrowers may here be enumerated.

First of all, the past record of the borrower in meeting the payment of interest and principal of his note at maturity, and his habit of asking extensions of time, are items of collateral information which are very important in analyzing the credit statement. Doubtless there are but few banks which do not keep a record of this kind. The alertness and punctuality of a borrower in meeting his obligations when due go far toward prejudicing the banker in his favor. In country banks loans are sought for a specified purpose and the borrower is allowed to designate the length of time he desires to use the money. The bank has a right to expect that this contract will be faithfully kept and the funds returned at maturity. Banks should loan money as temporary capital only. That bank is prejudicing its own best interests which furnishes permanent capital to either a merchant manufacturer or individual. The so-called credit worth of an individual or firm is not so much the ability to borrow as the ability to pay when due. Nor is it sufficient that interest only be promptly paid, though some borrowers seem to think that this is all a bank should reasonably insist on. When an extension of time is asked on a note, that action alone is evident proof that the money is being diverted to other uses or that the purpose for which it was loaned has failed of accomplishment. The latter contingency may be due to misfortune of one kind or another or a bad business season,—therefore, not altogether the fault of the borrower. The need for an extension of time, however, should serve as an incentive to redoubled efforts in order that the obligation may surely be met at its next maturity. Repeated requests for renewal generally mean that the borrower is growing careless or is falling behind financially. In such a case the prudent banker will take steps to protect himself immediately in whatever way seems best to him. A banker likes to see his customer "clean up" or liquidate his obligations regularly and promptly and a conscientious borrower can add to his credit worth in no more effective way than by so doing.

Extension of credit is sometimes partly based on the average monthly balance maintained. In country banks this can hardly be considered an important governing factor, for the reason that often the most solvent borrowers keep the smallest balances. Money is needed for a specific and immediate purpose and is checked out to meet the emergency. The size of the balance maintained, at other than borrowing seasons, by merchants and

farmers, may be deemed of some value in determining the amount of credit to be extended.

The signed statement of the borrower himself, giving essential details of his financial condition, is, of course, the most conclusive source of information possible in determining credit worth. Yet the unqualified acceptance of such a statement without proper analysis and comparison, is apt to prove a dangerous proceeding. Few men are prone to over-conservation in estimating their financial ability. Pride of possession, self-assurance, and ignorance of the principles of business accounting may often lead a borrower, innocently, to overestimate the real status of his affairs. Care must be exercised in seeing that real estate holdings are not inflated beyond a conservative figure. Collateral liabilities, such as notes to individuals, notes endorsed or guaranteed for others and current accounts must be fully listed. It is frequently desirable to know how much life insurance is carried, the company issuing the policy and who is named as beneficiary. All these and other details which might be mentioned are essential to the statement which should be kept in writing, even though the borrower be unwilling to sign and acknowledge it.

Finally, all data thus secured should be verified by reference to official county records relative to real estate and mortgages, investigation of commercial reports and by correspondence and consultation with persons acquainted with the borrower's condition.

Some one has said that it is essential for a bank to know three things about a prospective borrower, viz., his character, capacity and capital. The first two are largely intangible in terms of figures, but all three are absolutely necessary and interdependent. The country banker must often give more consideration to character and capacity than would his brother financier in the city. Many a bank has profited greatly in after years

in the possession of loyal and prosperous customers, to whom as young men reasonable credit was extended because of their known ambition, energy and scrupulous honesty, but whose capital holdings were a decided negative quantity. The country banker cannot observe rigidly the proportion of  $1\frac{1}{2}$  or 3 to 1 of quick assets to liabilities. It is often safer to loan up to 75% of his net worth to a man of good character and capacity who you are certain will devote his last dollar to liquidating his debts, than to loan 20% to a man whose methods are questionable and unscrupulous.

The second part of the question under discussion, viz., the desirability for uniformity of statements, may be treated very briefly from the standpoint of the country banker. It will be admitted without argument that uniform statements are greatly to be desired. Every bank deals with individuals, firms and corporations and will have need of an appropriate form for each. It would seem, however, that more latitude and individuality might be allowed the country banker in the preparation of his credit forms than is possible in the case of the city banker. The reasons for this are readily apparent, due to the changed conditions and requirements under which the two operate. Those country banks which are members of the Federal Reserve System and avail themselves of its re-discount privileges should certainly use uniform blanks. It is probable that such blanks will be prepared and issued by the Federal Reserve Board at no distant date, and that their use will be insisted on in all of the twelve districts. As a general rule, the essential details in all credit statements required of a particular class of borrowers should be identical, however much difference in arrangement of the data is permitted to the individual bank. The one necessary requirement in every statement is that it be simple to the last degree, readily understandable and easily lending itself to analysis and comparison.

## *Effect Increased Operations of Note Brokers upon the Earnings of Commercial Banks*

By THOMAS P. BEAL, JR., Vice-President of the Second National Bank of Boston, Massachusetts

Mr. President, members of the Clearing House Association and ladies present: When your President asked me to speak to-day I had a little hesitation because I was going to be travelling for quite awhile but I told him I would put down a few personal thoughts upon the subject and I am very glad to express them.

Nineteen years ago a party of bankers and grain men started from Minneapolis for a tour of inspection of the wheat fields of North Dakota, South Dakota, Minnesota and the section of Canada in the neighborhood of Winnipeg. In that party I was included as a young boy because even when I hoped to enter the banking business and my father, who was the president of the Second National Bank of Boston, believed that if a man were to become a banker in Boston, it was the utmost importance for him to meet and know the men who handled the grain crops in the Northwest.

Acting in accordance with this belief, the bank had for many years loaned its surplus money every autumn in a manner which seemed to approach as near absolute safety as possible, for the loans were made to men whom it had been possible to meet and form a judgment of their character and ability and at the same time were secured by warehouse receipts for grain stored in public elevators which had a ready market at any time. At that time note brokers were almost unknown in that section of the country. The country itself had less wealth than it has to-day, and offerings of money were eagerly accepted at rates of from five to six per cent.

To-day such loans at such attractive rates are a thing of the past, except in abnormal times. The borrower instead of appreciating an offer of money and making his paper attractive by adding collateral, now in most cases insists on issuing his single name paper and threatens to withdraw his business if

you do not lend him the amount he desires at the rate he wishes. Is this not typical of banking and the relation of banks and their depositors all over the country to-day? Of course this is largely due to their added wealth and therefore increased independence but is it not due to another force, namely, the competition of those who are seeking to make them borrow in order to obtain the commission for selling their paper?

Now the broker sends out—when money is plentiful—scores of telegrams to both those accounts which he handles, offering money to the borrowers at the market rate in the lowest money market in the country plus his commission, and to those accounts which he is soliciting at a still lower rate, a rate at which even with the commission he probably would not be able to sell the paper at a profit because he knows that in all probability his bid will not be accepted. What is the result? The borrower not only forces the broker with whom he deals to take and therefore offer his paper at a lower rate than otherwise, but goes to his bank, says he has had an offer of money at that rate—which might be far lower than was fair owing to conditions in that locality—and forces the banker to meet his wishes from the fear of losing his deposit. For are we not all to-day too anxious to be large rather than to obtain a profit for our stockholders?

Only a short time ago one of our valuable depositors in asking our rates for money used these words: "Brokers are offering us lots of cheap money, but if your rate is right, we should prefer to borrow direct." We wrote back naming what we believed to be a fair rate for the Boston market and asking him to remember the fact that the rate named by brokers plus their commission was equal to or greater than our quotation. But we could not help feeling that these brokers' offers were placing



this man in a state of mind antagonistic toward us if we did not quote a rate equal to the lowest offered anywhere in the country.

I remember very well one time when the money market in the autumn in Boston was  $4\frac{1}{4}\%$  receiving a telegram from one of our valuable depositors in the Northwest, in fact one of those who had formerly been eager to receive our money each season, asking us at what rate we would loan them \$300,000. We wired back  $4\frac{1}{4}\%$ . They replied that even locally they could obtain money at less from the brokers. Later I found that the facts were that a broker from Boston who was in their city had taken \$500,000 of their paper at  $4\frac{3}{8}\%$  and had only been able to sell \$50,000 and was carrying the rest. And yet this had made the quotation and offer which we had made seem undesirable to our friends. Again, only a few weeks ago, a friend in Boston asked the rate for money, was told 4% for six months and replied that that was absurd as he had lots of money offered him at  $3\frac{3}{4}\%$ . After some questioning he acknowledged that it was by a broker to place with a bank in another part of the state and yet he considered that it represented the market in Boston.

I will acknowledge that the brokers are not alone in forcing down rates, for this force is now exerted in Washington by the sectional deposit of government funds. It is also caused by the banks in larger cities who offer money at abnormally low rates in their competition to invest their surplus funds and also from their desire to increase their deposits by obtaining accounts through such offers. This competition, however, is not nearly so severe and I believe may grow less when two forces operate to reduce the volume of deposits in the largest cities in proportion to the deposits of the entire country; namely, the reduced bank deposits with correspondents which would be the result of the complete operation of the Federal Reserve System, and secondly the withdrawal of large deposits of foreign money which will come with the end of the war and which will tend to keep rates exceptionally easy in our largest cities. It is the institutions in these cities which would be the only ones competing with other localities in this manner.

I do believe that the brokers with their desire to increase their sales, and therefore their commissions and profits, are the greatest force in this direction when there is an abundance of money, for they will frequently acknowledge that they have to take paper below the market in their district in order not to lose the business and compete with another broker handling another district. What happens when money comes scarce? The broker largely disappears and because his resources are insufficient to fulfill all the obligations which he has incurred when banks have been eager to take paper off his hands, he either forces the borrower to seek accommodation from his own banks, which he has deserted at a time when they would have been eager to loan him, and therefore increases the pressure under which they are to meet the withdrawals of their deposit, or else forces the banks under threat of loss in case of receivership to hold and renew paper which they have taken with the distinct understanding that it should be paid at maturity and therefore possibly at a lower rate than otherwise.

A few figures which I have obtained from my friends who are large buyers of commercial paper are interesting in making a comparison between the last four months of 1914 when, as you will remember, it was difficult to supply all the demands for money, and the same period in 1915 when rates were comparatively easy. In the earlier period one bank bought three millions of paper and another ten millions, 85% of which was bought in the last six weeks, which institutions last year purchased 15 millions and 28 millions, respectively, in the same period. Still another stated to me that in the former period they were really not purchasing any paper as they had difficulty in meeting the legitimate demands of their regular depositors and only had four millions of purchased paper on hand January 1, 1915, whereas in the latter period they were heavy purchasers.

Thus in easy times rates are forced lower by brokers and yet in hard times they are forced higher by the same parties, making borrowers whom they have sought return to the bank which they have deserted and forced to become a purchaser of the paper of some other bank's depositors at a lower level of rates because no other means of investing their funds was offered.

I have been asked by a broker if the bank which was loaning its money entirely on commercial paper which was bought without any conditions of renewal was not in a much safer position than one loaning entirely to its own depositors, which loans would have to be renewed. The question of safety does not depend on the character of its loan as much as on the character of its deposits. If these have been obtained by granting lines of credit, then a bank which has these lines open when money becomes scarce and these lines unexpectedly used, is just so much worse off if they have a certain amount of paper which they have been forced to renew as previously suggested. I do not advocate going to the other extreme but I do believe that in times of easy money when firmer rates may be in sight that a bank would be better off to encourage the use of these obligations which they are under and thus get them out of the way

rather than to purchase outside paper which will not mature for six months.

This would be an unfair picture of the brokers' position in the banking world if this were all that was said. There is another side to the question even from the point of view of a bank officer who is looking only for the profit of his stockholders, and here the broker is invaluable. How often has each one of us sat in his office with a large surplus of funds which were either drawing no interest or were on deposit with our correspondents at 2%. Then we have welcomed the broker with his offerings of commercial paper and even sought him, taking his offerings at even a lower rate of discount than we would be willing to name to our own depositors, thus being guilty of the very act which we have criticized in others and which has tended to bring about the result which we have all objected to. Looked at from this point of view, the broker is a very economical method of placing our idle funds at the disposal of those who can use them. If he were not in our midst, the banks, at least in the larger cities, would have to send highly paid men of good judgment over the country in search of parties to whom they could lend money whenever a surplus of funds occurred. Would not this in a certain measure bring the same condition which has resulted to-day from the offerings of brokers; namely, the lowering of rates to our own borrowers below the point which we believe is warranted from the many services which we render to them.

So far as I can see, this is the chief way in which the increasing activity of brokers is having an unfavorable effect on the earnings of commercial banks, for as previously stated the lower rates on commercial investments are the result of competition which would come from other sources if it were not for the brokers, although possibly to a considerably less extent. I have been asked what steps may properly be taken to correct this situation. If I am correct in my belief that the situation is the result of competition and the present condition of human nature, no direct relief is in sight until either human nature or competition changes.

Just as long as some of us are willing to loan money at less than others, just so long will the return on our surplus funds be less than we believe is warranted and less than in the past when money was less abundant and transfer of funds less easy. But with our own depositors there might be some hope if we could all work together along the line of educating them to appreciate the personal character of their relations with us and our willingness to be of the greatest service to them in case of need. If we could instill in them the realization that, because we are their best friends, they should be our best friends, and if we are worthy of sufficient confidence to do business with them at all, we should be worthy of even such great confidence as would be necessary to make a rate of discount charged by us which was higher than that quoted by an unknown competitor, seem entirely reasonable—we should have taken a long step toward eliminating the harm done to our earnings by the increased operation of brokers. But even more than this is it necessary to drive into the mind of the borrower the difference between paper which he gives to his broker and paper which he discounts at his bank. One must be paid at maturity, the other can be renewed at his own discretion if his deposits have been satisfactory and his credit continues good, no matter how undesirable it may seem to the banker if he is short in his reserve. Is not this a service which should be paid for? Should not the depositor ascertain the wishes of his best friend, the banker, and give him the first opportunity of lending the money which he may need and at any rate which is reasonable even if it is slightly higher than that quoted by brokers?

If this were done, it might mean a slightly higher interest rate when rates were low, but it would also mean a lower interest rate when rates were high. But of even greater importance to the borrower should be the knowledge of having some one who can and is glad to help him in time of trouble. It should and would bring back the personal relationship in business which seems to me to have largely disappeared in the larger cities, in this present day, in spite of its having been that feature of business which gives the greatest amount of pleasure and satisfaction to those who have it.

Thus I can only say that the one hope which I have of indirectly correcting the harm done to the earnings of commercial banks by the increased operations of note brokers, which has resulted in the general lowering of rates of interest to those depositors who really are obtaining an insurance in time of trouble from the bank, which they do not pay for, by forcing the bank to loan them at rates quoted on strictly commercial paper, is for all of us to co-operate in bringing back the spirit of personal relationship and co-operation with our depositors, making them glad to help us if we are to be willing and glad to help them.

One of my friends has suggested that the correction might be made by offering money to our own depositors at a lower rate. I do not agree with this if other conditions continue the same, for it would be difficult for us in Boston to make such offers when brokers offer paper as they have done during the last twelve months as low as 3% and even in some cases as low as  $2\frac{1}{2}\%$ . A large volume of our deposits are now drawing

2 and 2½% and some even 3% where a time notice of withdrawal is given. Would it not be difficult to maintain our profits, to say nothing of increasing them if this suggestion were adopted, especially at a time when the tendency is to increase the other services which we offer without charge, such as the free collection of checks?

It may seem to the borrower at this time when money is abundant and rates are easy, when banks have still the almost as yet untried relief in time of need to resort to—of rediscounting their paper at the Federal Reserve Bank—that this insurance and this personal relationship is no longer necessary. But the time will come—as it always has in the past—when money will become desirable to the borrower and he will be very glad of his banker friend. Are we not now in an abnormal position, doing a greater volume of business on a lower percentage of reserve than ever before? And is not the volume of our gold supply maintained by unusual causes which at the end of the European war will disappear? When normal conditions return and all danger in Europe has passed, then gold will go where it is most needed and will bring the highest return. Then where will our reserve be if our business continues and our depositors still need money to carry their accounts and their stock of merchandise and raw material?

If this occurs, then this personal relationship will be rated at its true value. But it can only be attained if a greater spirit of co-operation can be produced among ourselves just as we desire to bring it between each of us and his individual customers.

Then we shall all receive a fairer return for the service which we render and those who receive this service will be glad to pay for it. Their rates for money may be four per cent instead of three and a half, but to offset this they will be six instead of eight or possibly a flat refusal to be of help in time of need.

Then we could watch brokers increase their activity without fear and know that its only result upon our earnings would be the rate at which we could invest our surplus funds. Here we come into competition with the rest of the world and our profit must be governed by the condition which exists at that time.

There is much to be said on both sides, for I have been greatly interested in the widely different comments made to me by one of my friends, a broker, to whom I have shown this paper, and a bank officer from another city, with whom I have talked. The former stated that he did not think that I was entirely fair in my criticism of his line of business as his firm sold more paper when rates were 5 and 6%, especially in the country, than when rates were 3½%, and that even in 1914 there were only thirty days when their volume of business was not large and that they always tried to cultivate close relations with their accounts and watch and help them. Nevertheless I have often heard brokers state that they had either none or very little paper of concerns in trouble on their own books, and take satisfaction in it. Undoubtedly this is not the position always taken, as there are various kinds of brokers just as there are various kinds of bankers, but I feel sure it has often occurred. My bank friend on the other hand had written to me to "give it to them" and said that although he felt strongly on the subject, he supposed that I could not speak more forcibly before the present meeting. I have tried to be fair to each party, realizing that there are many arguments on both sides and that, therefore, the only improvement could be greater co-operation, first between ourselves and secondly between each of us and our own depositors and borrowers.

Could we not accomplish this result to a certain extent if we were more careful in the credit information we gave and is it fair that we injure our own earnings by reporting our favorable relations to those who will work against our own interests?

## Committee and Officers' Reports—Clearing House Section

### Annual Address of President J. D. Ayres

PRESIDENT AYRES: It has been customary for the President's address to contain a review of business conditions and a great many statistics regarding Clearing House Associations. I shall touch very lightly upon the first, omit the second altogether, and confine my remarks very largely to matters pertaining to the Clearing House Section. Therefore my address shall be very brief, and I think this is quite fitting because we have an interesting program before us which will require all the time which has been allotted the Section.

At a time when the business of the country is of a volume almost, if not entirely, unprecedented and profits are generally large, and in some lines of business undreamed of, perhaps the question most active in the minds of most business men and bankers is "How long will these conditions last?" Soon after the great war was precipitated many prophecies were made by economists, bankers and business men as to the effect it would have upon the business and finances of the United States. Most of these prophecies were of the most pessimistic character and most of them have proved to be erroneous. I hesitate, therefore, to enter the hazardous ground occupied by the prophet, but venture to do so to this extent: "It is my firm conviction that the present period of prosperity in this country will not be terminated by the end of the war." My observation is that, while the present period of prosperity received its initial impetus from the war, in most lines of business the present volume is not dependent upon the continuation of the war. It is, however, almost certain that a readjustment of prices of both material and labor will follow the termination of the war, and the tariff on imports will have to be skillfully adjusted, if we are to successfully cope with the competition from abroad, which we are certain to meet. These views, I believe, are very general and the business men of the country and the Administration at Washington are giving their best thought to the solution of these important questions. Our bankers and business men agree that "Preparedness" must be beyond naval and military questions, and must extend to the business interests of the country. To construct that wall of protection both military and economical which I think it is generally believed we should have, requires the co-operation of all the business interests of the country, and in this the Clearing House Association can and should play a large part. Along the line of constructive work a great forward step has already been taken in the adoption of the Federal Reserve Act. Under the provisions of this new law the Federal Government has given us a unified banking and currency system, and, while we all admit that it has imperfections, yet we must agree that it is built upon sound fundamental principles, and has immeasurably strengthened the hands of bankers and business men to meet the conditions which will follow the termination of the war. Therefore I believe the Clearing House Associations of this country and the Clearing House Section of the American Bankers' Association will do a great patriotic service by cordially co-operating with the new banking system so that its possibilities can be understood and used to the best advantage.

The country check collection system of the Federal Reserve Board has met with a great deal of opposition from many bankers, but in my opinion this system should be given fair trial and no amend-

ment of that section of the Act under which the system was established should receive the support of this Section until actual operation of the plan for a reasonable time shows where the Act should be amended.

The Clearing House Section of the A. B. A. has now been in existence for eleven years. In that time it has made an enviable record for initiating and causing to be adopted many new practices of great practical value to banks and Clearing House Associations, and has come to be recognized in the Council of the American Bankers' Association as a most virile and valuable arm of the parent body. Among its accomplishments are: The Clearing House Examination System, the Organization of New Clearing House Associations (both city and country), the Universal Numerical System, the No Protest Symbol, and the encouragement and help it has given freely in all matters looking toward safer and more conservative banking practices. Its work has been done with such careful and economical expenditure of money that its standing with the Finance Committee of the A. B. A. is of the highest, and its requests for appropriations to carry on its work have always been readily met. This standing of the Section with the controlling committees of the American Bankers' Association should be jealously guarded and maintained.

While the Section has accomplished great things in the past, its possibilities for the future are, to my mind, still greater, and I shall suggest for your consideration the lines along which these possibilities can best be realized: I believe that our annual meetings can be made more valuable by having an open discussion of topics instead of the usual set addresses. It would be well, of course, to have each topic presented by some chosen speaker, but let his address simply be the means of opening up a general discussion. I should like to have every man here to-day take a part in discussing the subjects on the program. Let each one of us contribute something to the discussion of each question, and if that is done we shall all get the benefit of each other's ideas and experiences. I believe we should all work toward ultimate uniformity of constitutions and by-laws among the various Clearing House Associations, uniformity in methods of settling clearing balances and, in so far as it is possible, uniformity in the extent of the powers to which Clearing House Associations may govern the activities of their members. Such uniformity should be worked out through our Section, and at the conference of Clearing House Managers to-day I hope the initial step will be taken along these lines. We should have the greatest possible amount of co-operation by the members of this Section with our Executive Officers. Instead of attending the annual meeting and then forgetting all about the Section and its important work until next year, I should like to see the members keep in close touch with the Executive Officers, and when you have a local Clearing House problem, take it up immediately with the officers of the Section; they will be glad to hear from you, and if they cannot solve your problem, they may be able to offer some helpful suggestions. Questions of legislation inimical to banks and Clearing House Associations will frequently arise, and co-operation of the members of this Section should be of great value to all. Only recently such a question was involved in the new Federal Revenue Bill, and, by prompt action of the Secretary of this Section, a proposed increase in the



taxation of banks was considerably reduced. Officers of the Section will greatly appreciate suggestions from members as to the means of increasing the effectiveness of the Section. We want every member to feel a personal and direct interest in the Section. In this direction an important step was taken in our last annual meeting when provision was made for a representative to be appointed from each state to assist the Executive Officers of the Section in extending its propaganda. This is a splendid idea and should be continued.

I regret that more Clearing House Associations are not reporting total bank transactions. Total bank transactions are the only true index of the volume of business, and yet some of our principal Clearing House Associations continue to use the faulty method of judging the volume of business by the clearings.

The beginning of the present fiscal year found the Section without a Secretary, owing to the resignation of Mr. Wolfe. During the year this vacancy was filled by the selection of Mr. Jerome Thralls, former Manager of the Kansas City Clearing House Association. I regard the Section as very fortunate in having secured the services of Mr. Thralls, and under his experienced guidance and energetic application the work of the Section has been kept up to the highest standard. A full report of the work done during the year will be made by the Secretary.

The Executive Committee held its usual meeting in May and accomplished an unusual amount of work, which will be covered in the report of that Committee by its Chairman, Mr. McHugh.

I take this opportunity to say that the Section is particularly fortunate in the personnel of its Executive Committee, the members of which work for the Section's best interest with a conscientiousness and earnestness that deserve your keenest appreciation.

It has been my privilege and pleasure to be associated with this Section as a member of its Executive Committee or as an officer for five years, and it is a source of regret to me that during the past year (when I held the highest office within your power) my duties to my own Bank have prevented me from giving to the affairs of the Section more time and attention than was my privilege, but the splendid capacity, thorough knowledge of Clearing House work and untiring energy which your new Secretary has brought the Section, has, I believe, amply covered any delinquencies upon the part of your President.

The Clearing House Section can be made a great power, operating for the good of all of its members, but this can only be done if we all co-operate to that end, and each one take a personal interest in advancing the work of the Section. This is the thought which I want to leave uppermost in your minds to-day.

#### Report of the Executive Committee, Mr. John McHugh, Vice-President of the Mechanics & Metals National Bank, New York City, Chairman

Mr. President and Gentlemen:

Your Executive Committee has held seven sessions during the year now closing. The first was the organization meeting, which was held at the Elks Club, in Seattle, following the regular annual meeting. At this session the regular routine business was transacted, plans outlining the future activities of the Section were discussed, and your President, Vice-President and Chairman were appointed a Committee authorized to employ a Secretary of the Section with the advice and consent of the Administrative Committee.

Six sessions were held during the time of the Spring Meeting at Briarcliff, N. Y., May last. Two of these sessions were held jointly with the Executive Committee of the National Bank Section for the purpose of considering the Nation-wide Clearing Plan and evolving ways and means of bringing about a postponement of the inauguration of the plan, so that the bankers might have an opportunity to study it and to familiarize themselves with the details which were yet to be worked out by the sub-committee appointed by the Federal Reserve Board, and would be given an opportunity to suggest whatever changes, modifications and improvements that might be necessary in order to make the plan workable. The other four sessions were devoted to the routine business of the Section, consideration of the program for our Tenth Annual Meeting; the future activities of the Section and a general round-up of all the plans, methods and systems that have been evolved, fathered and developed by the Section.

The action of your Committee relating to the then proposed Nation-wide Clearing Plan resulted in the Executive Council of the American Bankers' Association passing a resolution approving a form of communication prepared by the Joint Committee of the Clearing House and National Bank Sections, directed by the Federal Reserve Board, and urging postponement and modification of the plan. This resolution provided for the appointment of a Committee of Five and directed that Committee to convey the communication to the Federal Reserve Board to confer with the Board, and if the conference did not result favorably to the American Bankers' Association the Committee of Five, acting jointly with the Executive Committees of the Clearing Houses and National Bank Sections, were then authorized to take such further action as in the judgment of the three committees it be deemed necessary.

Later the Administrative Committee of the American Bankers' Association recommended the drafting and introduction of an amendment to Section 16 of the Federal Reserve Act contemplated to eliminate therefrom the provisions for par collections and to give the Federal Reserve Board the power to fix reasonable charges for the collection of checks. The three committees expressed themselves as favoring the introduction of an amendment along the lines referred to in the recommendations of the Administrative Committee of the American Bankers' Association.

The general counsel of the American Bankers' Association, acting under the direction of the Committee on Federal Legislation, and at the request of the Committee of Five and the Executive Committees of the Clearing House and National Bank Sections, submitted to Secretary Thralls a tentative draft of amendment to Section 16. Secretary Thralls referred this tentative draft of amendment to the members of the Committee of Five and the Executive Committees of the Clearing House and National Bank Sections with requests for criti-

cisms thereon. The responses indicated that it was the view of the three committees that action towards introducing any amendment to Section 16 should be withheld until after the annual convention, when opportunity would be afforded for full and free discussion of the whole question, and where valuable information might be developed. Further, that the system would have had a fair trial by this time and claims for relief in the form of amendments and modifications might then be based upon actual experience and proven defects rather than upon theory.

Uncertainty as to what functions of the Clearing House the Federal Reserve Banks would undertake to perform has to a great degree retarded the activities of your Committee, yet much constructive work has been done during the year. Widespread interest has been taken in the Universal Numerical System, the no-protest symbol plan, and the other ideas that have been advanced by the Section.

Your Committee on employment of Secretary, believing their action would prove advantageous to both Sections and to the American Bankers' Association, joined with the National Bank Section in the employment of Mr. Thralls as your Secretary.

We highly appreciate and thank the various committees, the Clearing Houses and our State Representatives for the splendid support and co-operation accorded during the year. You have each received a copy of the Secretary's report giving details of the work of the Section for the year. In order to expedite business and to be in a position to get the official action of the Executive Committee between meetings, arrangements have been made whereby questions may be submitted, motions may be made, seconded, discussed and voted upon by mail.

This Section can wield a great influence for betterment in banking methods, systems and practices, and your Executive Committee believes that by pulling together we can make the next twelve months the banner year of accomplishments in the history of the Section.

Respectfully submitted on behalf of the

EXECUTIVE COMMITTEE.

#### Report of Special Committee on Country Clearing Houses, by A. S. Hawes, Chairman

Mr. President, my report will be very brief because it is in printed form. You who were at Seattle will recall that there was a committee appointed of five to investigate the establishment of country clearing houses, their obligations and whether they were practicable. This committee was requested to report its findings to the Executive Committee of your Section at the May meeting in Briarcliff.

The committee unfortunately was not able to hold a meeting, but we did work through active correspondence and gathered together considerable data which I present to you in printed form. Suffice to say that your committee found that there were \$1,136,000,000 of country items now handled through the operating departments designated as country clearing houses. There are 30,000,000 handled yearly through these departments. We find on investigation that the establishment of such departments in clearing houses initiated in a year a saving of 30 to 40 per cent in the exchange charges, a saving of one cent, which you can readily see is quite an important item, and it will be a saving on 30,000,000 items of \$300,000 a year. When I speak of items I mean a bunch of items, for it is customary for individual banks using the country clearing house department to bunch their items, and the average number of items in a bunch are between three and a half and four. The St. Louis country clearing house, with which I am more familiar when it comes to details than any other, operates on an expense of 1.89 per item, which, as I have explained, is a bunch items. Therefore the actual operating expenses of the country clearing house of St. Louis is in reality less than the postage paid by the banks who would otherwise send those items to the paying banks. Now I bear down upon that subject because I believe it of great moment, Mr. President. I think that the clearing houses of this country can serve their members in no better way than to establish in their midst the country clearing house department to make a common avenue of collections.

One thought has stepped into the minds of bankers which may perhaps work against the establishment of country clearing houses, and that is the establishment of the country clearing houses interferes with the relations of the depositing banks in your city. That is not true. In nearly every country clearing house I know of the items put in there for collection are not on your correspondent, but are on the other man's correspondent to whom you have been paying.

Now take the country banker's point of view of the country clearing house. The country bankers in our section have said this to us: "We prefer to get our items in one bunch, items from one source." We add a reasonable exchange for remitting it to that concern, and it costs us one draft and one postage item and one clerical. It minimizes work for the country bank and certainly minimizes it for the city bankers, and I think they should think the sooner this Section of the American Bankers' Association puts forth its active efforts on the establishment of the country clearing house section in every clearing house, the greater will be the benefit to be derived.

I want to say that we have a Secretary of this Section, Mr. Thralls, who is an expert on country clearing houses and established in Kansas City a country clearing house, which is operating here, and I do not hesitate to say that it is the best in America. And it is the most efficiently operated, and his experience in that matter, I am sure, is at your disposal. He said so, in fact. There is in progress an organization in America now of eight new country clearing houses. Now the fact that arises in my mind in that connection is that perhaps it may be said that we have a common avenue of collections in the Federal Reserve System. But I want to say that these country clearing houses will furnish an avenue of collections which will be available to the non-member banks of the Federal Reserve and will be able to reach and serve these non-members on items that cannot be handled through the Reserve Bank.

You will find here to-day a copy of this report and I hope that you will read it and take it back to your clearing houses and study it. I am sure if you do you will see the advantages of this system and will be desirous of handling your items through that source.

# NATIONAL BANK SECTION

## AMERICAN BANKERS' ASSOCIATION

First Annual Meeting, Held at Kansas City, September 26 and 27, 1916

### *The Soul in the Dollar*

By JOHN SKELTON WILLIAMS, Comptroller of the Currency

Mr. President, Members of the Association, Ladies and Gentlemen:

This is a political year, but so far as possible, politics will be kept out of this address which you have done me the honor to ask me to make before you. Unfortunately, it will be necessary for me to use now and then that most dangerous of all of the letters of the alphabet, for the speaker, the capital I. It is a matter of common observation that in colloquial or oratorical talk in which the dear I's are most frequent, the ideas are scarcest. I don't know whether that is a bad pun or a good epigram; but it is a fact.

The last time that I had the privilege and the pleasure of addressing this distinguished and tremendously important body was just fourteen years ago, when I appeared before it as Chairman of the Trust Company section of the Association. I wasn't a trust buster then and I am not one now. I knew then, as I know now, that with money and resources, as with an army, for efficiency there must be the power and facility for concentration for defense or attack, that there must be guidance and direction, and the gathering of units for a common purpose.

Your units are dollars, as the units of the military commanders are men. Your real business is to do your respective parts to see that those units are marshalled and applied, as occasions may suggest, for the good of your communities and the country, taking care that your depositors and stockholders shall have their fair shares of the resulting benefits in return for their faith and enterprise, and that you shall have your own just return for your labor and care and thought.

My understanding of democracy—not in its political meaning, as we make it now, not in its derivative meaning, but in the significance of it that all of us, of all parties here, accept—is that brains honestly use, thrift and industry, and even, if you please, good luck, allowed to us by the unseen powers, are entitled to their rewards. The diligent should, and must, prevail. The courageous will win and should win. The strong must hold and direct power. That is the law of nature and of the God who created and ordered nature. Thus far the law of the jungle and the law of human life hold together. The difference is that God has given to us soul and understanding.

Some of us have learned much since the last time I had the honor of addressing you; some of us by hard and painful experiences; some by careful observation and earnest study. In that time we have seen many changes in conditions and standards, and in habits of thought. We are getting further, and each year further, from the law of the jungle.

Look back, gentlemen! Not so many hundred years ago we bankers were classed as mere money changers and usurers. Our predecessors won their gains by preying on the necessities of kings and nobles and common people alike. That was the jungle law put into polite and elaborately entangling and ruinous phrases, supported by the laws of all the old countries. Now and then it was found necessary, in England, and other lands, to change the laws on usury and decree violent penalties to save the throne, the haughty nobility and the yeomanry from the rapacity of the money lenders. The forces of law and arms were set up against the forces of garnered riches; sword and rope and lash were applied in attempts to check the ceaseless encroachments of usurious interest; but in these modern days we have learned that the dollar has a soul, and that even great accumulations and gatherings of dollars may have souls.

In this connection I may define the word soul as the inspiration of a real and high purpose. John Randolph, of Roanoke, described a corporation as a thing without a body to be kicked or a soul to be damned. As we know now, many of us by painful experience, our legislating powers, administrative officers, courts and labor unions have found innumerable ways to kick corporations and the accumulations of capital they represent. Perhaps partly because of this kicking and certainly because of what I may call the improved civilization of our standards and an understanding of our relations with each other, our corporations and our dollars have developed and are developing souls.

We are learning that justice and mercy are sound business principles and make the one sure foundation for enduring and real business success. If the history of the human race, of countries, communities and individuals proves any one fact, that fact is that no community can thrive permanently or continue to exist where the few gather great riches and the many are deprived. In the jungle the ruthless use of strength or craft, the sudden spring of overmastering power on weakness, the stealthy destruction by cunning of the unwary, are appropriate. These are the beasts that perish. They do not build or think for the future.

We of the human kind are made to build, to establish, to plan for those who are to come after us, to contribute something, each as he can, to the permanency and usefulness and growth and greatness of our nation. We know the only real prosperity is the widespread prosperity in which all share; that the one assurance for stability of government is the justified contentment of the masses of the people. That is not politics. It is, maybe, a trite statement of the conclusions of all the social and



economic philosophies and of the opinions of all the thinkers of all parties and countries.

But it is like some of the principles of our religion. They are drilled into us from childhood and live in our memories. We recognize their theoretical truth and beauty and value, try to impress them on others—and then in the moment of opportunity or temptation, go in for the immediate grab, snatch at the fruit of profit dangling before our eyes; apply the law of the jungle, forget that we are men, and in effect become tigers, cormorants, crocodiles, panthers—even carrion eaters feasting on some commercial carcass. We people of this great banking world of ours can do for each other no better service than to continue to reiterate to each other the old axioms until they are graven on our hearts and expressed in our daily transactions and in our attitude toward our customers and the public.

Gentlemen, it is difficult to comprehend the enormous growth in strength we have achieved in the fourteen years since, as a banker, I addressed your Association. It may be even more difficult to comprehend the corresponding increase of our responsibilities. We have outgrown responsibility to our own country and generation. We have become responsible to the whole world because we have become the supreme world power, especially in that vital department reaching to the root and core of all things which we here directly represent—the financial.

We have become responsible for the future of the human race. This republic is the hope, the refuge, the one unshaken and unshakable edifice among all that mankind has built. You have a homely—and I hope a familiar—illustration in your pockets. Each of you has some paper money. I venture to say that not a man here has looked to see whether the notes in his pockets are issued by a National Bank on the Pacific or the Atlantic Coast or in the most remote country town, or by the Treasury for gold or silver or by a Reserve Bank. All any of us look at is the denomination and the “U. S. A.”—the United States of America—the signature of our “Uncle Sam.” We know that stamp and signature make that piece of paper as good as solid gold, not only here, but everywhere in the world. And it is virtually the only paper money that is receivable everywhere in the world to-day as representing its full face value in gold. Our dollars are the good dollars and the dominant dollars. It is for you gentlemen, controlling the powerful banking interests of this supreme country to determine whether these dollars of ours shall prey upon our own country and the world with teeth and claws, or shall have souls put into them to unbuild, to help to heal the horrible scars of war; to lift the stricken to strength and hope. In this connection some one has prettily said that “By doing good with his money, a man as it were, stamped the image of God upon it, and makes it pass current for the merchandise of heaven.”

Let us look a moment to see what we have done, and where we are just now. I have said some of this before elsewhere, but the facts and figures are tremendously impressive.

No nation on this planet; no nation at any time in the world's history, has ever made such gigantic strides forward in material wealth, in commerce, in industrial growth, or shown such wonderful advance in banking resources, deposits and in savings as has this country of ours in the fourteen years which have elapsed since I last had the pleasure of addressing you.

I will try to avoid details, but I do want to bring before you figures expressive of our country's growth from 1902 to 1916, which must arouse the attention of every citizen.

Let me begin with our national banks, whose total resources in 1902, amounted to just six billion dollars, for the 4,535 national banks then in operation. To-day there are 7,600 national banks with fourteen billion dollars of

resources. In this brief period the resources of national banks have doubled, with two billion dollars of additional resources thrown in for good measure. In the Summer of 1902 the deposits of the national banks were 4,468 million dollars. At the time of the June, 1916, call, these deposits amounted to 10,877 million dollars, an increase of 6,409 million dollars, or 143 per cent.

Deposits in our national banks alone now exceed by 250 million dollars the aggregate deposits held by all banks, national and state, including trust companies, in 1902—just fourteen years ago.

In 1902 the total deposits of State banks, savings banks, trust companies and other banking concerns under State supervision aggregated six billion, one hundred and fifty-seven million dollars. On June 30, 1916, the deposits of these State banks and trust companies were reported at 15 billion, 350 million dollars, an increase of 149 per cent.

I trust I will not be accused of talking politics if I should call attention to the pleasing fact that the greatest increase in deposits of both national and State banks (including trust companies) which was ever made in any three-year period in our country's history has taken place in the past three years. It may also be a gratifying circumstance to you gentlemen of the national bank section to learn that while the deposits of State banks and trust companies have, during this period, increased 3,358 million dollars, or 28 per cent., the deposits of your national banks increased more than 33½ per cent., or 2,733 million dollars, showing that since the passage of our Federal Reserve Act, which was approved by President Wilson December 23, 1913, the deposits of the national banks have been growing decidedly faster than the deposits of the State banks and trust companies throughout the country.

The tremendous growth in wealth and banking power which these figures indicate may be more fully realized when I tell you that the increase alone in deposits in all banks since June, 1913, exceeds by 500 million dollars the total amount of all loans and discounts made by all the banks in the United States—national banks, State banks, trust companies and savings banks, for all purposes of trade, commerce, industry, agriculture and business of every kind, as late as the year 1900.

The records show that business in every direction has expanded so enormously that the total clearings of our clearing house cities which, for the year ending June 30, 1902, aggregated slightly less than 112 billion dollars, amounted for the year ending June 30, 1916, to more than 224 billion dollars, an increase of more than 100 per cent. in fourteen years. These colossal figures become the more impressive when we consider that the bank clearings represent only about 40 per cent. of the total bank transactions in these clearing house cities.

Is it not hard to grasp the thought that this country of ours, which in 1902 had already reached a pinnacle among the nations, has since that year doubled the volume of its business in virtually all the great cities of the land?

The latest census records as to manufactures are those for the year 1914, taken in the midst of the depression which followed the outbreak of the European War. Since 1914 manufacturing interests of all kinds, as we all know, have been prodigiously stimulated. If, however, we compare the census reports giving the figures for 1899, as to manufactures, with the census reports for 1914, we get the following results:

The number of manufactories increased in these 15 years from 207,000 to 275,000, or 32 per cent. The average number of workers employed in factories on salaries or wages increased from 5,076,000 in 1899 to eight millions in 1914, an increase of nearly 3,000,000—almost 60 per cent.; while the value of the products of our manufactories was increased from 11,406 million dollars to 24,246

million dollars, an increase in the value of the products in this period of nearly 13 billion dollars, or 112 per cent.

By 1902 the United States had become the greatest manufacturing nation on earth, and her output of coal, which is largely the basis of all manufacturing, had reached the enormous total of 301 million tons, already far exceeding the total output of Great Britain, formerly the greatest coal producing country on earth. For the year ending June 30, 1916, the official estimates place the coal production of this country at 601,900,000 tons, which is just twice our production in 1902, our production of coal for the past year being far greater than the combined production, even in normal years, of the British Empire, the German Empire, and the Republic of France, which, next to this country, rank as the three greatest manufacturing nations on earth.

That you may form some idea of the enormous expansion which has taken place in the iron and steel business since the 1914 census as well as since 1902, I ask your attention to the following figures:

The production of pig iron for the year ending June 30, 1914, was reported at 27 million tons; for the year ending June 30, 1916, the output is given at 37 million tons, against production for 1902 of only 17 million tons.

The output of iron ore for the year ending June 30, 1914, was 57 million tons; for the year ending June 30, 1916, the production was 66 million tons, against only 35 million tons in 1902.

The production of steel, which for the year ending June 30, 1914, was given at 27 million tons, had increased for the year ending June 30, 1916, to 39 million tons, against only 15 million tons in the year 1902.

The story of our railroads for the period from 1902 to 1916 fully corroborates the other figures expressive of our commercial and industrial growth. Although our railroad mileage increased from but 200,000 miles in 1902 to 260,000 miles now, the latest figures available indicate that 300 billion ton miles of revenue freight were the record for the year ending June 30, 1916, against 157 billion ton miles in 1902.

The gross earnings from operations of these roads for 1902 were 1,726 million dollars. According to the latest figures obtainable, these earnings for the twelve months ending June 30, 1916, amounted to 3½ billion dollars, an increase of approximately 100 per cent., while net earnings from operations, which in 1902 were reported at 610 million dollars, for the year ending June 30, 1916, reached approximately 1,200 million dollars—showing that our great transportation lines are enjoying as a whole a full share of the country's prosperity and are very far from being run at a loss.

The capitalization of the railroads, including bonds and stocks, increased during this period, approximately from 12 billion dollars to 20 billion dollars.

Progress and efficiency are shown in the fact that, while we have now about a million more freight cars than we had in 1902, the average capacity of all freight cars has also increased from 28 to 40 tons per car.

This country's exports in merchandise for 1902 were 1,381 million dollars. For the past fiscal year, our exports aggregated 4,333 million dollars. In other words, our exports for the past year exceeded our total exports in 1902 by the colossal sum of nearly three billion dollars. Our imports for 1902 were 903 million dollars. In the fiscal year 1916 they were 2,197 million dollars. Our credit balance of trade in 1902 was 478 million dollars. For the past fiscal year it was 2,135 million dollars, and is still growing.

Patriotic Americans have the right to gloat over such a showing with swelling pride. Ambitious Americans—and ambition is one of the chief elements of patriotism—may read in them brilliant promises of a future of almost inconceivable greatness. Thoughtful Americans will find in them cause for fear that wealth may betray us into

rapacity and inequality of distribution that will mean destruction; or cause for noble dreams and hopes that our riches may be applied with magnificent and intelligent benevolence, to bless the world and augment our own prestige, power and accumulation.

Rome mistress of the world, rotted to death from wealth, luxury and sloth. The internal relations of her people with each other, and her conduct towards other peoples, were directed by the law of the jungle. We can share Rome's fate only by imitating Rome. We are in a world infinitely vaster than Rome knew. We can hold in it power and place far beyond the wildest vision of the proudest Romans if we will absorb the teachings from the fates of the peoples who have gone before us and failed miserably; learn to regard the highest ideals as real and powerful things; accept as a firm conviction the belief that as a nation Providence and circumstance have entrusted us with an actual mission.

The ancient historians tell us that a census of Roman citizens was taken in the reign of the Emperor Augustus, about the time of the birth of Christ, and that the number was estimated at 25 millions, including the districts and provinces of Italy, Gaul, Spain, the Balkan Peninsula, Greece, Asia Minor, Syria, Egypt, Northern Africa, and the islands in the Mediterranean.

Gibbon, the historian, estimates that the revenues from the provinces of the Roman Empire was the equivalent of about 100 million dollars of our gold.

The annual revenues of the United States Government at this time are 1,000 million dollars per annum, or ten times the revenue of the ancient Empire of Rome in the Golden Age; while the total incomes of the people of the United States in the past twelve months are estimated to have amounted to not far from 35 billion dollars, and the people's savings, over and above their cost of living, to between six and seven billion dollars.

It is worth our while to turn our minds back over nineteen crowded centuries, to reflect that Rome was where we are—the greatest, strongest, richest power of the known world. There is solemnity and seed for wisdom in the reflection that Rome was; and perished. At the very zenith of her power and pride and wealth, the same Augustus who took the census foresaw for her the same perils thoughtful men now foresee for our own Republic. He attempted measures of reformation, of preparation, of prevention against disaster, which it will be well for us to consider thoughtfully. "In all times of our adversity in all times of our prosperity, in the hour of death and in the day of judgment, Good Lord, deliver us" runs the Litany. Men wise as Caesar Augustus wrote that for us to use in our prayers. They understood, as he did, that the dangers of prosperity are as deadly as those of adversity, death and judgment; and that pride, vain glory and hypocrisy may destroy congregations and nations as they do individuals. Countless sages and thinkers have given us the same thought and warning. Kipling expresses it musically:

If, drunk with sight of power, we lose  
Wild tongues that have not Thee in awe—  
Such boasting as the Gentiles use,  
Or lesser breeds without the law—  
Lord God of Hosts, be with us yet,  
Lest we forget—Lest we forget!

Froude tells us of the Emperor Augustus, that under his reign—

"Society had grown ashamed of its orgies, and returned to simpler habits of life, and the Emperor led the way in the reform. Like Charles V., Augustus banished plate from his household, and was served with the plainest food on the plainest earthenware.  
\* \* \* His furniture was scarcely fine enough for a private gentleman. His dress was homespun, not distinguishable from the dresses of his attendants,



and to emphasize the example, was manufactured by the Empress and his daughter. \* \* \* He was punctilious in each and all of his religious observances. \* \* \* ; and during his long reign the harassed peasant, who at last could till his farm and eat his bread in safety, poured libations with unhesitating faith to the divinity of the Emperor."

Here and now, each of us sovereign by right of birth, each of us entrusted by Providence with power among his fellow sovereigns, may realize profitably how well we might use that power by promotion of the habits of simplicity and austerity. It is easy to imagine that if the principles taught by the great emperor had become part of the permanent life of the Roman people, the power of Rome would have remained unshaken. It is easy to know that if this nation of ours is given over to luxury and riot, to huge wealth unequally divided, to effeminacy on one side and misery and rage on the other, our destruction will come surely, swiftly and shamefully, without even the alleviation of pity or sympathy, with all the added ignominy of the world's contempt, and the knowledge that we will live in history, not as an example of grandeur but as an instance of disgraceful failure.

The wealth of this country at this time has become so vast as to be beyond the comprehension of the average mathematician, and we are learning now to think, financially and industrially, in astronomical units.

We have to-day a population of more than 100 million people, with more than 40 million men, women and children engaged in gainful occupation—employed in the creation of more wealth—piling Pelion on Ossa.

If we should divide the new wealth created annually among all the men, women and children engaged at work, they would have not far from \$1,000 per year each.

It would not be difficult for this nation, by economy, thrift and efficient work, to increase its annual savings, which two or three years ago were estimated by expert English economists at five billion dollars per annum, to ten billion dollars per annum; and this huge sum could then be used to help forward the development of our own country; for the promotion of civilization and for the advancement and upbuilding of the near and remote countries of the earth. But, while we are planning gigantic schemes for world development, let us not forget that the most immediate and vital business duties which lie before us relate to the upbuilding of our home enterprises, especially the smaller factories and mills and development undertakings in the lesser cities and towns and in our country districts. Those provide the surest and safest foundation on which to erect national wealth.

They keep money at home in local banks and in active circulation in the territory in which the laborer lives and where the capital is invested. They provide work for home people, employment for home capital and energy, trade for home merchants. They make also opportunity for talent and give means of study resistance to encroachments on the pockets of the people by great monopolies. They tend directly toward promotion of the intimate and cordial relations between employers and employees of all grades, which make for ideal conditions.

In a letter which I had the honor to receive some years ago from England's great statesman, Mr. Gladstone, he spoke of the vast power of production of this country, and predicted that the time would come when our wealth would overflow into other lands. This predicted hour has struck. The time has come, and our wealth is already overflowing into other lands with a rush and abundance never before witnessed in the history of commerce or of finance.

Students of the situation estimate that this country is now creating wealth over and above the living expenses of the people at a rate four or five times greater than the savings of the British people at the time when their in-

come was greatest and their investments in foreign countries were at the maximum.

Just two years ago, after the outbreak of the European War, we were considering how we could find means to meet our floating debt, estimated at 350 million dollars, in gold, which was to mature in Europe between September first and December thirty-first, 1914, and what we should do to avert financial calamity if the European nations should begin to unload upon us their American securities, of which they held an amount then estimated at four to four and a half billion dollars. In the two years which have intervened we have paid this floating debt in full, have bought back of the American securities held abroad an amount estimated at between two and three billion dollars, and have loaned to foreign nations in both hemispheres one and a half billion dollars of new money.

If a balance should be struck to-day, taking into account the amount of our securities still held in foreign countries and the amount due our people on account of their foreign investments, the probabilities are that we would find ourselves for the first time in our history, a distinctly creditor nation. We hold a mortgage on the world's physical assets. The world holds a mortgage on our soul, on our good will and broad nobility of purpose.

Gentlemen, all of us know the self-multiplying power of money, the capacity of wealth to propagate and increase itself. The law of gravitation, as we know, applies in finance as in the physical world. Huge accumulations of values naturally draw to themselves the lesser masses. Seeing how we have grown in fourteen years from the basis we had in 1902, imagination is baffled by the possibilities for the coming fourteen years from the basis we have now. But it is for us here to keep steadily in our minds that the only real wealth, after all, is the common wealth, that wealth to endure and go on accumulating must be used for the common weal. A superstructure of great fortunes based on a foundation of general poverty and discontent must topple and crumble as surely as a house builded on the sands. We see what we have. We can but vaguely imagine what we will have if we will look carefully to our foundations and be guided by the practical business sense represented in the best ideals. The altruistic conception of our duties to each other is not a vapor or a rainbow vision. It will come out right and show satisfactory results under the keenest analysis and the coldest dissection.

By spontaneous, inward growth, by natural strength, by the inborn restless, tireless enterprise and industry and productive power of our people, we have expanded enormously. Certainly no men in the country have done more to bring these wonderful results than the bankers of the United States. It will interest you to know that our National Banks are now manned by an army of about seventy-five thousand men, including officers, clerks and other employees, generally able, faithful and efficient, with a payroll of nearly a hundred millions a year, operating on a capital of more than a thousand million dollars contributed by 441,000 stockholders, and having as clients over fourteen million depositors.

Charged, as I happen to be, with the sometimes ungracious and unwelcome task of supervising their conduct of their own affairs and scrutinizing the most intimate details of their business, it is a real pleasure to me to bear witness to the high character, the incalculable usefulness, the conscientious devotion to duty and the breadth of view and purpose of the average American banker. He combines the functions of a driving power and a balance wheel, an accelerator and a brake. Maybe I know about as much about him (although I do not wish you to understand from that that I am a Methusaleh) as any man alive; as an American citizen I am pleased to say that I am proud of him. Nine times in ten I take even his most vigorous kicks against my administration

as evidence of his self-respect and American spirit of assertion of what he may believe to be his rights.

Please do not construe that statement, gentlemen, as an invitation for additional kicks. I have a plenty, thank you. I am one of those individuals who must find consolation in consciousness of *good intentions*, and in faith that, instead of being a part of the pavements of Hades, they will be found presently smoothing the thoroughfares of commerce here; and I have the hope that presently it may be said of me, "After all, he performed his duty as he saw it and really did do some good." That is about the best most of us can hope for. As I think I have said before, gold-headed walking sticks or loving cups with inscriptions or engrossed votes of thanks come to comparatively few of us when our duties forbid us to be invariably affable and universally urbane and complaisant. I have found some satisfaction in the statement of General Goethals, who, in reviewing his own experiences, said that he had learned the important lesson that "a man's usefulness in the public service is determined by the abuse and criticism he can take without complaining."

With your permission I will here answer a question which critics of the Federal Reserve System have sometimes asked as to whether our national banks continue to be profitable to their shareholders.

I am gratified to be able to tell you that notwithstanding the lower interest rates which have prevailed since the inauguration of the Federal Reserve System, and despite the fact that Federal Reserve Banks pay no interest on reserve balances, the latest official returns of the national banks indicate that in the aggregate their earnings, both gross and net, are now far greater than at any previous period in the history of the national banking system.

In 1899 the gross earnings of all national banks were less than 150 million dollars and their net earnings slightly under 50 million dollars. For the calendar year, 1916, the indications are that the gross earnings, based upon the actual returns for the first six months, will approximate 600 million dollars, and net earnings over and above all expenses and losses 170 million dollars.

Since 1899 the capital of national banks has increased 75 per cent., while the net earnings on the above basis have increased about 240 per cent. In 1899 national banks earned on their 604 millions aggregate capital stock a fraction over 8 per cent. The current year the figures thus far received indicate that they will earn approximately 16 per cent. on their total capital stock of 1,070 million dollars. In 1899 the national bank surplus was 248 million dollars. Now, the surplus fund of the national banks is 730 million dollars. Undivided profits in 1899, 94 million dollars; now, they amount to 305 million dollars.

My attention was directed recently to newspaper statements to the effect that national banks are week by week surrendering their Federal charters and taking out State charters instead, and that the number of national banks "is decreasing instead of increasing." That statement is squarely contradicted by the facts. From the opening of the Federal Reserve Banks November 16, 1914, to September 16, 1916, one year and ten months, the Comptroller's office has issued charters to 248 new national banks, with an aggregate capital of \$15,249,500. During the same period 180 national banks increased their capital to the extent of \$20,762,700. The aggregate number of new charters and banks increasing their capital was therefore 428 and the aggregate new capital authorized \$36,012,200. During the same period 133 banks other than those consolidating with other national banks went into liquidation, their aggregate capital being \$11,183,000; 33 banks reduced their capital in the same time to the extent of \$2,710,000, so that the total number of banks liquidating or reducing their capital other than those consolidating with other national banks was 166 with capital re-

duction of \$13,893,000. In addition to the above, during this same period there were 27 national banks placed in charge of receivers; representing an aggregate capital of \$2,635,000. Of this number, eight with an aggregate capital of \$530,000 have been restored to solvency.

The records thus show that since the opening of the Federal Reserve System, (excluding the banks consolidated with other national banks), the number of new banks chartered plus the number of existing national banks which have increased their capital exceed by 243 the number of national banks which have gone into liquidation or which have reduced their capital, and the capital of the newly chartered banks plus the increased capital of existing banks exceeds by \$20,014,200 the capital of all national banks which have gone into liquidation or which have reduced their capital. The Comptroller's office has also refused about thirty applications for charters for new national banks during the same period.

When the Federal Reserve Act became a law the friends of that measure confidently predicted that three principal results would follow:

First, that the rates for money would be reduced throughout the country, and that there would be a general equalization of interest rates. That this result has been accomplished is universally admitted. Arguments on this point, would therefore, be useless.

Second, the prediction was made that with the inauguration of a sound, elastic and scientific currency system, business of all kinds would be placed upon a stronger and firmer foundation and that increased business activity would follow. This promise has also been splendidly fulfilled.

A third prediction was that with the institution of this new financial system bank failures would be greatly reduced, if not entirely eliminated, and I now ask your attention to figures which will enable you to determine for yourselves how far this expectation is being realized.

The Federal Reserve Board was organized on August 12, 1914, and the Federal Reserve System began business November the same year. For the twelve months immediately preceding, namely, for the period ending June 30, 1914, nineteen national banks failed with liabilities aggregating \$39,952,000. For the twelve months ending June 30, 1915, including seven and a half months of the operations of the Federal Reserve System, there were sixteen national bank failures with liabilities aggregating \$15,972,000. For the twelve months ending June 30, 1916, the first complete fiscal year under the new system, there were fifteen national bank failures with aggregate liabilities of only \$3,838,000.

This shows that for the first full fiscal year under the operations of the Federal Reserve System the liabilities of the failed national banks amounted to less than one-tenth of the liabilities of the national banks which failed in the year immediately preceding the inauguration of the system, and those banks which failed during the past twelve months were generally small concerns whose failures were traceable directly to criminal acts of management—defalcations, embezzlements, etc., which it is practically impossible entirely to eliminate under any banking system, although under our improved methods of bank examination, these are now being reduced to a minimum.

You may also be interested in receiving further facts as to the fifteen banks which failed during the last fiscal year, and whose liabilities, as I have stated, aggregated only \$3,838,000. Two of these banks already have resumed operations; five more already have paid or are expected to pay depositors 100 cents on the dollar, and the remainder are expected to pay from 65 per cent. to 95 per cent. of their liabilities.

It is estimated that the total ultimate losses to depositors from these failure of the fifteen banks which closed during the year ending June 30, 1916, will be less than \$250,000. As the total liabilities of all national



banks, exclusive of capital, surplus and undivided profits, during this period amounted to about 12 billion dollars, is it not tremendously reassuring to learn that the proportion of losses to depositors and other creditors of our national banks for the past year has been only two dollars per each one hundred thousand dollars of liabilities? On this basis an insurance company could afford to guarantee the deposits of a bank with a million dollars of deposits for a yearly premium of \$20 and a bank with \$10,000,000 of deposits could secure for its depositors immunity from loss at a cost of about \$200 per annum.

So much for what the Federal Reserve System is already doing for us. As is said of matrimony, it divides our cares and multiplies our joys. Our new banking and currency system has been given to us fortunately precisely at the time in the world's history when it was most vitally needed and when its power for good not only to us, but to all the nations of the world, could be most widely and most advantageously exercised.

But looking back and looking ahead, I am profoundly and tremendously impressed by the unprecedented and almost inconceivable opportunity now before this United States, this Republic of ours, and especially before the men of your profession—for banking has long since grown from the position of an ignoble trade to that of a noble and honorable profession. We have been forced by our own growth out of the trammels and confines of timidity and isolation our forefathers wove about us while we were a feeble folk and wisely afraid. We have been born into the world almost in a moment, full grown—I hope and believe with teeth. We are not only a world power. We are the world power. While nearly every other country has been depleted, we have been augmented. Our credit and resources are inexhaustible. Our population is intact and increasing, our cities are unmarred, our many millions of acres of soil are tilled in peace, our natural resources find profitable and constant outlet.

Our deposits in all the banks throughout the United States at this time are so huge that if there should be withdrawn from these banks an amount of deposits equal to the total resources at this time of the Bank of England, the Bank of France, the Bank of Spain, the Bank of the Netherlands, the Bank of Norway, the Bank of Sweden, the national Bank of Switzerland, and the Imperial Bank of Japan all combined, the deposits of our banks would still be as great as they were three years ago, at the beginning of the present administration.

To follow several distinguished examples and come to the vernacular, gentlemen, it is up to you. No nation in the world's history has had the opportunity this nation of ours will have, at the ending of the European War, for self-building and for raising to their feet a sad procession of exhausted nations.

And in this connection, let me suggest, deferentially, not to say timidly, another thought. In my recent intimacies with the machinery of our Government, in its legislative and executive departments especially, I have been impressed by the advantage and importance of having practical business men in our politics. My study of history and of latter-day conditions, has impressed on me that a curious reversal of process sometimes has occurred. While banking, the handling and lending of money, which used to be regarded as one of the most ignoble of trades, sometimes prescribed by law, has risen to the dignity of an honored and tremendously important profession, politics, which in olden times used to be the most important of all professions, enlisting the labor and thought of the greatest men, has in recent years shown now and then a tendency to descend to the level of ignoble and selfish trade. We need in our offices, and in all our political affairs, more men who will regard office-holding and political work, not as the last hopes of earning precarious livings or winning temporary distinction, but

honestly as opportunity for doing real good for the country and their communities. I realize as clearly as any of you how distasteful practical politics is to most business men. I recall the story of a voter—maybe an average American voter—down South, who, when asked to vote for a prominent and useful citizen, replied with scorn and indignation, "Vote for him? Why, he's a rich man! I'd as leave vote for old banker Simpson." Mr. Simpson was the leading banker of the county, probably the ablest and most useful man in it, and had never committed any offense but to be a successful business man and banker, in whose life and methods not a flaw could be found.

My own conscience, I confess to you frankly, is very bad on that point. To my discredit, be it said, I suppose I never in my life attended more than a half dozen ward or precinct meetings. Most of the time I would have found it hard to name offhand the aldermen or councilmen from my own ward, and often went to the polls with hazy ideas of who was running and of what and who the candidates were. This is all wrong. You know it and I know it. We business men, especially we bankers, are much given to growling about political conditions, the leadership and management of our respective parties. Frequently our growling is justified by the facts, but usually we have had no right to utter it, because we have shrunk from lifting hand or voice to bring improvement.

Regardless of the political parties to which we may severally belong, we would be ungenerous were we not to acknowledge that our country has been singularly fortunate in having had at the head of its Treasury Department when the world crisis arose two years ago, and when our country was called on to solve, and did solve most successfully, problems of unprecedented perplexity and moment, a man who has proved himself equal to every exigency which has arisen and whose experience, skill and splendid ability have been such tremendous factors in guiding us through menacing perils to stability and prosperity. Problems which loomed so large in years that have passed and which were dealt with by such masterful men as Hamilton, Gallatin, Chase, McCulloch and Sherman seem small compared with those which our country has faced and triumphantly solved under the administration of our courageous, untiring and resourceful Secretary of the Treasury, William Gibbs McAdoo.

I have endless faith in the capacity of the American people, and especially the American business men, to discover and rectify their own errors before the resulting damage is irreparable. Therefore I cherish the hope that the time will come when more of our Americans who have achieved distinction in other vocations will realize that they owe personal service to the country in which they have prospered and succeeded and will acquire the habit of adopting politics as a career and opportunity, and will give their ripper years and the influence they have won to leadership of their fellow citizens, defying the annoyances, the disappointments, the stings, that inevitably accompany such work. It is as well worth while to endure such things for the welfare of people and country, as to endure them, as all of us must, for the piling up of money. As I have said before, on another occasion, political activity within the limits of good citizenship applied to productive endeavor is a solemn duty. Politics as a diversion of earned and safe leisure is a useful amusement. Politics, when a man has achieved success in his personal affairs and contributed his personal part toward the upbuilding of his community and the establishment of his family, offers noble occupation. Politics as a business, a trade, a dependence, a means to mere selfish ambition, for young men, is crowded with dangers, thronged with foes to character and manhood, ambushed at every step. Eminence is a fruit we can afford to pluck only when we ourselves are ripe. For the weak and untried, it is poison, the most ruinous of intoxi-

cants. It is for strong men, proved strong and toughened by toil and by doing.

It is a strong contradiction that many of us who encourage the younger men to accept the dangers and privations of military service for the sake of flag and country and people, ourselves cower away from the suspicions of the rabble or the worse criticisms of blackguards or opponents.

That is a matter intimately associated with my general theme, but a little aside from it. We should keep in mind our personal duty to our own country. We cannot forget that before we can be of permanent value to the world and hold permanent power in it, we must make ourselves and our own internal affairs clean and strong and inspired by high, clean and plain purposes. Maybe the two tasks will react to each other—that as we appreciate our responsibilities as the world power, we will realize the need for new and better forces applied to our internal political machinery; and that as we purify ourselves, our conceptions will be higher and vision broader and clearer. However that may be, it is certain that just before us, a few months or two or three years, a mighty task is to be done to reorganize and re-establish the nations of the earth. Let us do whatever the genius, the power, the talent for reorganization and administration of our country can do. We have the right to do it to our

own profit. But it is our duty and our opportunity to let the word "fair" go hand in hand with the word "profit."

Let us have the great American soul go in company with the great American dollar. You bankers can see to that. You can see that the spirit of civilization and man thought, and purpose, shall banish the law of the jungle and the mere animals. We should take no advantage of necessity to extort hard terms, at home or abroad, as did the usurers and money changers before banking advanced from proscribed and furtive trade to honored profession.

Without loss or risk to ourselves, we may win for our Republic a place never before held by any country. It is not only possible, but comparatively easy for us to stand with none jealous of us or afraid of us or suspicious of us, with the gratitude, the affection and the confidence of all the nations concentrated on this nation of free and self-governed people. That would be a transcendently glorious culmination of the fondest and highest dreams of our great founders.

We have the people with the souls in them. We have the dollars beyond our most exaggerated hopes. If we put the soul of the people in the use and application of the dollars, the loftiest and noblest conception of the centuries will be fulfilled by us. And, gentlemen, you govern the use of the dollars.

## Report of Proceedings

First Annual Convention of NATIONAL BANK SECTION, at Kansas City, Sept. 26-27, 1916

### Annual Address of President Fred. W. Hyde

To the Members of the National Bank Section:

GENTLEMEN.—We are met in the First Annual Convention of the National Bank Section of the American Bankers' Association. It is a momentous and significant occasion. Your officers and Executive Committees are to render an account of their stewardship for the twelve-month past; addresses are to be made by men of distinction in the fields of finance and economics; questions of importance to the bankers and to all the people are to be discussed, and business germane to the organization will be transacted. The history of the section is yet to be written. Only one year has transpired since the section was brought into being. Of the future who shall say. "Beyond the Alps lies Italy?" We have accomplished much; much more will be expected of the section in years to come.

This unit of the American Bankers' Association is national in its origin, membership, scope and purpose. Under the National Bank Act the members of the Association were practically independent of each other. The Aldrich-Vreeland law not only tided the banks and the country over a period of grave danger, but also demonstrated that in co-operation and united effort lay the secret of a national fabric of sound finance. The Federal Reserve law gives to the United States a financial system which, despite manifest defects and insufficiencies, appears destined to become an all-embracing combination and conservation of the money resources of the nation for the nation's weal and to enable the United States to maintain its eminence in the sisterhood of nations. All national banks are by law members of the new system. The plans and hopes of those who conceived and framed the law embrace every form of banking institution in the country. We are actors in a period of unexampled financial readjustment. Years may elapse before all branches of banking will be coordinated. But we, the national banks here assembled, form the nucleus and no special powers of seer or prophet are required to predict that within a decade the more than seven thousand members of the system at present will be increased four-fold. To paraphrase: "The steam roller of government moves slowly but moves exceeding sure."

The actuating motive of those who formed the National Bank Section was a desire for a union of all national banks for mutual benefit and for consideration and action on questions distinctively pertaining to the new system. A broad and catholic spirit animated the founders at Seattle in 1915. With the conclusion of the business of organization a year ago the affairs of the section were in the custody of the officers and the executive committee of six, representative of the different parts of the country, and this committee has fulfilled every expectation in respect to fidelity, ability and service. The various meetings in New York and Washington have been fully attended and the sessions have been devoted to hard and conscientious work, the details of which will be furnished in the reports of the Chairman of the Executive Committee and of the Secretary of the Section. In addition to definite results attained, it is certain that preliminary action in constructive fundamental finance has been taken which will materialize later in ways beneficial and satisfactory to banker and nation.

The President would be lacking in appreciation were he to fail here to acknowledge the ability and zeal of the Executive Committee

throughout the year, the personal and business sacrifices which the members have made in behalf of the section, their loyal support. Each and every one deserves the thanks and plaudits of the National Bank Section.

It is merely rendering honor where honor is due to voice the sentiments of the committee in an appreciation of Secretary Jerome Thralls, who came to us from Kansas City and brought to his exacting position a degree of intelligence, training and devotion which have won the respect and admiration and the high regard of his co-workers. To say that he has more than met every requirement is simple truth and the section has reason for thankfulness in possession of the services of one in every way so capable and praiseworthy. Nor should we forget to express our thanks publicly to General Secretary Fred E. Farnsworth and his staff who gave so unstintingly of their knowledge and labor in order that the section should make a right beginning and accomplish its legitimate purposes.

An encouraging and gratifying experience has been the generous recognition of the section by the Federal Reserve Board and the Governors of the Federal Reserve Banks who have welcomed the co-operation of the Executive Committee, have listened interestedly to such representations as the committee has made on behalf of the section and have discussed and advised with the committee, disclosing a desire to reach conclusions without prejudice or preconceived opinions. This friendly and hearty attitude of the Federal Reserve authorities bodes well for future activities and results.

In its relations with the Federal Legislative Committee of the general association, our committee all along has been on the basis of unity and amity with the result that much has been done for the welfare of banking where alone either unit might have failed. Mutual confidence and associated action have made for general efficiency.

The homogeneity and interdependence of the present system of national banks are new features among financial institutions in the United States. Hitherto each bank has stood by itself; now all members of the Federal System are co-related; each shares in the strength of the aggregation. With the date of its organization nearly coincident with that of the placing in operation of the Federal Reserve Law, let us hope that the section will develop in membership, usefulness and power; that it will prove a bulwark of strength to the people and the government, and in all particulars justify the hopes and expectations of its founders.

To that sentiment to which we all subscribe—"One nation, one flag"—may we not soon add—"One monetary system!"

### First Annual Report of Secretary Jerome Thralls

To the Members of the National Bank Section of the American Bankers' Association:

This Section is a department of the American Bankers' Association, organized for the purpose of affording a channel through which questions of importance and of common interest to National Banks may be discussed and solved.

It devotes its energies to evolving, developing and encouraging better banking methods, systems, and practices. Five thousand seven hundred and twenty-three National Banks are members of the Section.



The Section was organized at Seattle, Washington, September 9, 1915. Its affairs are administered by an Executive Committee of six regular members and three ex-officio members, namely the President, Vice-President, and ex-President for a period of one year, all of whom are elected by the representatives of the members in annual convention. The terms of office of the six regular members are so arranged that two expire each year.

Much of the business of the Section is transacted through a Committee at Large. The members of this Committee are known as "Vice-Presidents" of the Section for the States and are elected annually by the members in their respective states.

The President of the Section is ex-officio member of the Executive Council of the American Bankers' Association. The Secretary is elected by the Executive Committee with the approval of the Administrative Committee of the American Bankers' Association.

Your Secretary, upon assuming his duties six months ago, ordered the necessary equipment for the office of the Section and installed a system under which a permanent record is made of all work done.

This record shows that 1,544 dictated letters have been dispatched since March 1, 1916; 1,625 letters have been received; 3,109 circular letters manually signed and 4,000 copies of leaflets have been mailed in the interests of the Section and the Association; 156 telegrams have been sent and 27 have been received. Your Secretary prepared the articles that appeared in the National Bank Section of the Journal Bulletin during the past six months, and also wrote a number of articles for other financial journals in the interest of National Banks.

The Section has co-operated closely with the Committee on Federal Legislation, and it was largely through the agency of the Section that the reduction of fifty cents per thousand dollars and the exemption of ninety-nine thousand dollars for each institution, in relation to the special bankers tax, was secured and that this tax was made to apply to all corporations, thereby eliminating its discriminatory features.

The following excerpt from a letter received from the Chairman of the Committee on Federal Legislation relating to this matter and to the passage of financial legislation during the year, will be gratifying to the members and to the State Vice-Presidents of this Section:

"What has been accomplished would not have been possible had it not been for the co-operation of the National Bank Section."

The Federal Reserve System, though conceded to be a strong and beneficial piece of financial machinery, is yet in the experimental stages. Its operations have been limited, its strength and efficiency have not been tested. Limited experience, however, has demonstrated the necessity for certain amendments to the law in order that the system may work smoothly and render satisfactorily the service it was intended to perform.

The principal functions of the Federal Reserve System constitute a safety valve that will serve all member banks alike. Bankers' views as to the amendments and new laws that are necessary to govern these functions should be in accord. Scattered opinions are of little value, but crystallized sentiment and unified opinion are two of the most potential factors in the financial and political life of this country. How are the necessary amendments and new laws to be secured?

They can be secured by determined effort and close co-operation through the agency of the National Bank Section and the Committee on Federal Legislation. This Section is a means through which the National Banks may register their solid strength in support of amendments and laws that are of a constructive and corrective character and in opposition to the enactment of legislation that may be harmful not only to the banks but to the general business interests.

Some of the most important financial measures passed by the recent Congress were evolved and recommended by this Section.

Much time and consideration have been given to the Nation-wide Clearing Plan and the proposed amendments to Section 16 of the Federal Reserve Act.

The Executive Council of the American Bankers' Association, in session at Briarcliff, N. Y., May last, appointed a committee of five, directed that committee to confer with the Federal Reserve Board, and in event their conference failed of its purpose to then confer with the Executive Committees of the National Bank and Clearing House Sections. The three committees were given full authority to take such further action as in their judgment may be deemed necessary.

A tentative draft of an amendment to Section 16, contemplated to eliminate therefrom the provisions for par collections and giving the Federal Reserve Board power to fix reasonable charges for collection of checks, was prepared by General Counsel Paton at the request of these three committees and was submitted to them for consideration and criticism. The referendum vote of the three committees indicated that the majority of the members thereof preferred that action toward introducing and supporting this or any similar amendment should be deferred until after the annual convention at Kansas City, in order that the Nation-wide Clearing Plan might be given a fair trial and that the claims for amendment of the law and modifications in the plan might be based on actual experience and proven defects rather than on theory and assumption. The Chairman of your Executive Committee has made report on the other legislative matters in which the Section has been interested.

Your Secretary represented the American Bankers' Association and this Section at the annual conventions of the following bankers' asso-

ciations: Missouri, North Carolina, Ohio, Oklahoma, South Carolina, and The Reserve City Bankers; also attended the conference of Country Bankers at St. Louis, June 10, 1916, and the meeting of the Administration Committee of Country Banks held at Washington, D. C., July 11, 1916; later visited the Federal Reserve Banks of Chicago, Kansas City, New York, and St. Louis, and conferred with the Comptroller of the Currency, the Governor and other members of the Federal Reserve Board, and with the heads of various departments of the Treasury in the interests of the Section.

The expenses of these trips, except one, were borne by the American Bankers' Association. The expenses of the one exception were divided with the Clearing House Section. Upon his return from each trip your Secretary filed a complete detailed report with the General Secretary of the American Bankers' Association, and made a brief report to the President and Chairman of the Section.

Your Secretary delivered an address before the North Carolina Convention on the subject "The Nation-wide Clearing Plan," and addressed the convention of the Ohio Bankers' Association on the subject "Co-operation and Diversified Banking," and made formal talks on banking topics before many of the other meetings which it was his privilege to attend. He secured 24 new members for the American Bankers' Association at the Oklahoma meeting and quite a number at each of the other meetings. Through the efforts of the Section, 150 new members have been added to the American Bankers' Association since March 1, 1916; of these 42 were State Banks and Trust Companies.

One thousand eight hundred and eleven National Banks are not members of the American Bankers' Association. A total of 1,016 new members were added to the American Bankers' Association roster during the fiscal year; of these 358 were National Banks.

Ninety National Banks, members of the American Bankers' Association, are not enrolled as members of the Section. Twenty-three states show a solid membership, and the slate will be cleaned of the ninety "hold-outs" within the next two months.

The appropriations for the Section last year were \$6,050. The expenses for the year were \$5,416.24. The estimated expenses for the ensuing year are \$6,770.

Difficulties often arise between banks and the several departments of the government, which can be adjusted only through personal visit, and which have heretofore gone by default because the individual bank could not afford to bear the expenses of a representative on a special trip to the capital. These matters may now be filed with the National Bank Section and the representative of the Section can look after several such cases on one trip to Washington.

The banks of the country have shown more improvement from the standpoint of strength and service during the past eight or nine years than during any like period. This improvement has not been due so much to legislation as it has to friendly co-operation through organizations such as the National Bank Section.

Your Secretary earnestly believes that there are great possibilities for the development and extension of the Section in the direction of rendering valuable service to the members.

He acknowledges and appreciates the splendid co-operation on the part of the Committees and State Vice-Presidents of the Section, also the assistance that has been rendered by the employees at the general offices, and further appreciates the privilege of serving the American Bankers' Association under your direction and guidance. Respectfully submitted in printed form in order to conserve your time,

JEROME THRALLS.

KANSAS CITY, MISSOURI, September 27, 1916.

### Resolutions Adopted or Disposed of

The following resolutions were adopted:

*Resolved*, That this National Bank Section of the American Bankers' Association ask through this resolution that all banks will please not encourage the public in printing on personal checks the words "Collectible at par through the Federal Reserve banks" until such time as the member banks may be able to obtain credit at par and for immediate use at the Federal Reserve banks of such items.

*Resolved*, That inasmuch as the public and not the banks mutilate the currency of our country, by this resolution we ask that Congress will arrange that express charges on mutilated currency sent for redemption, and cost of returning new bills in place of those redeemed, be paid by the Government.

*Resolved*, That Congress is hereby asked to pass a law making it an offense against the United States Government, to burglarize either with or without explosives, any national bank.

*Resolved*, That a request be made of Congress for the passage immediately of a law providing for the retirement of greenbacks, and gradual retirement of the national bank notes.

The resolution below was referred to the Executive Committee:

*Resolved*, By this resolution, we ask Congress to so amend existing laws that national banks in towns of not over 3,000 people may class as reserve, any kind of actual money as the banks may have on hand.

# TRUST COMPANY SECTION

## AMERICAN BANKERS' ASSOCIATION

Twenty-first Annual Meeting, Held at Kansas City, Mo., September 26, 1916

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### *Standardization of Charges for Trust Company's Services*

REMARKS OF A. A. JACKSON, VICE-PRESIDENT  
GIRARD TRUST COMPANY, PHILADELPHIA, PA.

When our Chairman in his report said I had been asked to lead the discussion he said truly when he said I consented. Of course I was then flattered, but my leading, however, I fear will only be, and I hope will be, only to lead my fellow members into a discussion, because as far as I am concerned, I shall not trouble you with a very long dissertation on this subject.

I personally think it would be very hard to standardize charges of trust companies all over the country. There are so many different items entering into the discharge of their duties in different localities. I dare say we might standardize them in one state, and in other states, so far as that particular state is concerned, just as we know that in certain states there are now laws governing the charges to be made by trust companies; but those laws really are not altogether efficient, because I know in Pennsylvania we have no statutory provision for charges, and each man goes on his own bent, so far as he is allowed to by his ideas, and those of his client.

In other states, I have found where the statutory provisions govern, that whereas the trust company in acting as executor and trustee, let us say, charges so much percentage, which is not in very many cases at all adequate for the service performed, that the trustee turns over to some agent, work to do, which is charged for in addition to the work, and in addition to the fee that is allowed by law; whereas, in some other state, where there is no statutory provision, the fee covers all the duties performed by the trustee.

It is very hard, I should think, to standardize these charges. It seems to me the difficulty would be just as much in relation to the standardizing of fees in trust companies, as it would be for the standardizing of fees of lawyers.

We know in certain states, there are fee bills, or as I understand it those bills may give the lawyer an opportunity to charge a very exorbitant fee in a small case, and perhaps would limit him to a small fee in one of great monetary value. The court, therefore, I understand, in those cases perhaps exceeds the provision in the fee bill; and therefore this matter of standardizing is one, I think, that will be very difficult of accomplishment.

If we can, let us make some recommendation, just as we tried here in this Section, to evolve a model trust

company law, from which there should be derived benefit to all the companies throughout the country, including those who needed that benefit more greatly than others—those existing in states, where they had had no requisite laws, and no provisions for examination.

I really think that if we could establish such a standard for general consideration, that it would be well to establish one that would give a minimum wage to ourselves. Now, we have so many things to do, and we do not want to rob the people—we don't want to do so—I don't know whether you have heard of this incident or not, and maybe the story has been repeated to you, and any number of people, and told in any number of places, but it came to me as authentic, of the man who somewhere in this country was asked to lend five dollars, the cashier of some bank or trust company. He said he would, and he took a note and he charged \$15, and he was asked what the interest would be, and he said, "Oh, there is no interest. The \$10 is just for drawing the papers." So we do not want to do that, but we really should have some adequate provision.

Now, suppose in the matter of a trust under a will, that we are limited to the statutory provision, and some maximum, as we are in Pennsylvania, of five per cent., and we have a small estate, and an estate of a man who died worth \$100,000, and say it produces \$5,000 a year. Five per cent. on an estate of \$5,000 a year income, is \$250 a year, that is \$20 a month. Now, that is the pay of your office boy, and you may say that the company by reason of its size and its machinery, is able to do this for the pay of the office boy, and the more estate you have the more machinery you will have to have. They are so complicated and so complex, and you have to do so many things.

I know of a case where we, for instance, were telegraphed one day by one of our friends, a trust company in the middle west, saying that a certain man who was recently a resident of that city had died leaving a will, or had made a will in favor of this trust company. "As he is dead, will you please give him a look-up, and call and have him shipped West, if he is the right man?" This is a rather peculiar function for a trust company to perform, but that is one of the functions we have to do. If we take a man's estate, we settle his business of all kinds. It requires great knowledge, and it requires a staff of a great many people, and it requires constant ex-



pense, and we ought to be paid to do it, but how to standardize the charge and say what we are going to charge under a statute, for doing all these multifarious occupations, I confess I cannot see.

Then, you have your large field of trust funds, and corporate issues, and bonds, where you will say that you will make 50 cents a bond for certifying, or less, or one dollar a bond in a small issue, and so much for making a transfer, and so much for leases, and so much for substituting a mortgage—there are a great many things to attend to in these cases. There are so many forms of mortgage, for instance, that place upon the trust company the duty of discharging different duties in different trusts.

It used to be the case that the trustee would, we will say, dictate the form of the mortgage. Now, the banker who underwrites, wants a certain form, and the employer of the corporation wants the form, and the trustee has to examine those. He is not simply taking what is coming to him. His lawyers examine them. Therefore it is very hard to say what shall be made a statutory fee.

I was sent a little while ago a reprint from the Trust Companies magazine of August of last year, by the publisher, of a scale of charges made by Trust Companies, as compiled by Mr. Sheppard of the Title & Trust Company of Portland, Oregon, and a most valuable compilation it is. It runs the gamut from holding the title to real estate, to acting as receiver and assignee and registrar and transfer agent and a great many other activities, and when I looked at this table, and saw these replies that these gentlemen had received from only, I think, 25 companies who answered his 52 letters, and saw how they varied in all these different respects, you would see what they think of this general scheme of standardization and how difficult it would be of accomplishment.

Now, I am not going to say anything more, because, as I said, I am going to endeavor to take away some of the discussion, and I fear that in the language of the immortal bard—"I have come to bury Caesar, not to praise him."

#### REMARKS OF HERBERT A. RHOADES OF THE DORCHESTER TRUST COMPANY OF BOSTON

I have had previous consultations with Mr. Jackson. I had no idea of his remarks which he was going to make, but I think he has covered the field outlined in my mind so thoroughly that anything I can say would only be a repetition.

I have felt that the question of the standardization of charges for services rendered by trust companies, was more or less of a local affair. There are so many things that enter into the question of charges, especially as our trust companies are arranged in Massachusetts. Of course many of the trust companies of Massachusetts are more or less commercial institutions. We all do a bank business. Many of us do not do a trust business at all. Many of the trust companies do not—the older and larger trust companies of Boston—and it seems to me that there are so many things that enter into the question of charges. You have a good customer who wants a mortgage, and the question is, how much you shall charge him for your legal services, and as Mr. Jackson says, you have so many lawyers who want to look into this thing. Mortgages are drawn by the corporation and looked into by your own attorneys, and the charges are governed very largely by the amount of work that is to be done in those particulars.

Then there is the question of registrations of bonds, registration of stock certificates.

You have a customer who has a large balance with you and you don't feel like charging him so much for those services as you would a man or corporation that came in from the outside. It seems to me that if we could fix some kind of a charge, or a minimum or maximum charge as a suggestion, it would be a good thing.

I don't believe the trust companies ought to enter into competition in this business to the extent of quoting prices that would not enable anybody to make any money.

I do not know, Gentlemen, that I can cover the commercial field, as Mr. Jackson has covered it so very thoroughly.

#### REMARKS OF LUCIUS TETER, PRESIDENT CHICAGO SAVINGS BANK TRUST CO.

Mr. Chairman and Gentlemen, I was in a business meeting the other day as to the fees of an engineer who had investigated some properties. The question was being discussed, and he was approached eventually and asked by a rather exacting trust company man,—"How many days did you expend in preparing this report?" He said, "As a matter of fact I don't just know." He further said, "As nearly as I can remember it took me about fifteen years to fit myself to make that report."

Now, I am sure I cannot bring you anything new today, but I think I can bring to you from that reply a thought which I think is a thing that we can pass along to many of our friends, and to particularly some of our newer friends in the trust company business.

It is not so much that we need to have the size and the question of standardization of price settled, as it is for our trust company friends to realize the responsibility which they have. There is altogether too much of a forgetting of how much past training it has taken to enable us to do what we do; altogether too much forgetting of the future responsibility which we take on in fixing our present charge.

Our clients have helped us in going astray in that way.

While, as former speakers have said, the question of a definite standardization as to prices may not be exactly possible, I believe that it is possible for this Section to attempt to bring a realization of a proper charge for these two things—past training and future responsibility, to bear on our price, rather than that it should be determined by five minutes, or five days, by the drawing of documents.

If that is realized, the price can be easily settled. I am very glad to say that in Chicago that evolution has been going on. As our younger institutions have been eliminated for one reason or another, either by consolidation or retirement or getting old, the competition in charges has also rather drifted out, so that I think I can say with some assurance that our charges there are fairly uniform; and I hope that the quality of our work is fairly uniform. I think those things go hand in hand. I think the quality goes ahead of the price. If the quality is produced, the price must follow. I believe that in some form we should get this thought before our members, and in all kindness before our younger friends, and I have been one of these—I am not as young as I used to be—but I know the temptation to do business, and as we go along we realize there is only one kind of business to take, and that is good business, and we can not afford to lend our names to things that are not sound, and it does not pay to take trustees, and securities and things of that sort, that we ourselves do not approve of. As we standardize the quality of our work, we should then be able to standardize the prices.

#### REMARKS OF W. R. HERVEY OF THE LOS ANGELES TRUST & SAVINGS BANK

Mr. President and Gentlemen of the Section, I was not aware that the honor was to be paid me of addressing you on this topic. I came up from my home to this convention. It is a subject in which I have been very much interested for some years, the question of a standard charge for trust companies' services, because we have on more than one occasion been stung by not knowing what some other trust company would charge our customer or client, who was recommended to go to a certain town and call on a trust company, and they would treat him right, then he would come back and tell his tale of

woe and we were aggrieved and had some correspondence, but that did not heal the wounded feelings of the customer.

It has been within two months that a trust company of standing in one of the Eastern states has charged a customer of ours a commission for collecting its own dividend. This trust company has in a trust fund 150 shares of his bank. They have charged him one per cent on his dividend as a collection fee.

We recommended a customer a trust company where he could put his funds. And that is one of the things that made him think and believe that we should have some idea of a standard charge, that is, a maximum charge that would be made by a corresponding trust company or a company bearing the name of a trust company, and if that company was inclined to charge a larger fee, that it would take the matter up by telegraph or correspondence, so that we and our customer might know what we should pay.

I quite agree with Mr. Jackson that the question of standardizing trust companies' fees at this time is wholly impossible, due to the lack of uniformity in the state legislation dealing with trust companies.

You take it in California, for instance, where we have departmental banking. The trust companies' operations are in a department of the bank quite segregated, wholly and entirely, from the other departments, as much so as though it was a separate institution. There must be a segregation of capital through that department. That capital must be increased as the trust business of the company increases. There is a tax, a state tax, as well as a federal tax on that capital.

The increasing volume of the trust companies' business requires increasing deposits with the state treasurer, which means the crystallizing or solidifying of funds in some form of investments, and sending the investments to Sacramento to hold as security for the faithful performance of trust obligations.

Now, there are \$350,000 in surplus, apportioned to the trust deposit, every cent of which is in Sacramento, as guarantee for the performance of their trust obligations, and we have to increase that from time to time. We have a peculiarity in our statute, of segregation of private trusts and court trusts. We deposit \$100,000 to cover private trusts, and we have deposits in other directions, but we must increase our deposits to cover court trusts, and our court trust business is all under the direction of the court, and we have a separate account, and we have one account for one, and one for the other. The law also provides that the beneficiary of the trust can convert his trust from a private trust to a court trust if he desires to do so; and I am informed that in the entire state of California, not a single soul is able to make conversion of one form to the other form. By means of this restriction of the legislation, it is more expensive to do the trust business, and particularly the trust that results in administration than it would be for a company in a state where the trust companies are not so regulated, and where the burdens are not placed upon them, and therefore a trust company in another state that is acting under a general banking law would not be justified in making charges that we are required to make in order to direct this business.

My theory of trust company charges is that all trust work should be carefully and honestly done. When we receive in our banking department deposits of money, we have a check or checks which is drawn out on a deposit slip, making a record of the entry, and the entry in the book. That can be filed away, and is a very small record; but every transaction in the trust department requires more or less documents, correspondence files and records. They are difficult records to keep because of the perversity of the business, and they must be kept perpetually. Within six months two of our officers have spent more

than two days as witnesses in a court of law away from their business to testify to transactions that happened years ago, transactions that were closed, transactions for which we have received no more compensation; and yet we have to spend valuable time on those old transactions today. Those records must be perpetually kept, and the trust is never dead, and is never closed. None of us know when it will come to the front to require attention.

I believe, therefore, that we should give the legal and best attention to those affairs that they are entitled to, and that every trust should be handled conscientiously and that a legitimate and proper charge should be made for the service.

I realize that some trust companies do work for a song, because a man has a large balance or other business, or is a friend of another company, and for many reasons. I know a few trust companies who reduced prices to meet the prices of their competitors. I should not like to see any of my competitors go out of business, but the easiest way in the world for them to go out of business would be to cut the fees down under a legitimate charge for the service. They could not last long. One of the speakers said here: "A sound price for a sound product. Good pay for good quality." I think that we in our trust work should all look upon the thing that we should give our customer, the service to which he is entitled, whether he recognizes its burdens or character or not. That is the only way we can serve our stockholders and our officers, and we should charge a legitimate price for that service.

It can be standardized in each state, but I see no manner or method by which it can be standardized throughout the United States, as much as that result might be desired.

It is difficult to say what a trust company and particularly a new company will charge a customer, or you, if you send business to them, in a hurry. The trust business being experimental, I presume that everyone of us took several years before we found out what the cost of doing trust business was. Some of us have not found it out yet; but of course it is very hard on our costs to determine what the product really entails in dollars and cents, and then to add a legitimate profit to that cost; and the trust company experimenting on this is apt to make many figures ridiculously low, and oftentimes make charges that are wholly unintentional.

I believe a committee of our section, or the Bankers Association could devise a tentative schedule of fees that would be charged generally by their members unless other arrangements were made with regard to them. I thank you.

#### REMARKS OF B. C. HOWARD OF KANSAS CITY

Mr. Chairman and Gentlemen: The previous addresses that have been made here this afternoon bear along on the same lines. As far as standardizing the trust charges, I for one am convinced that it cannot be done, for the reason that there are so many different things, as has been said before, entering into each one of these transactions. In some cases, you have the fees regulated by law. In others there are no laws at all, and it is left entirely to the trustee or to the beneficiary, or to the agreements that have been made by them as to what the fees shall be.

The fees have, in a great many instances, seemed large to the beneficiaries, when they are exceedingly small to the trustee or the trust company performing the services, because the beneficiary does not realize the amount of time that has been taken up by the officers of the institution that serves them.

A woman with an estate of \$5,000 will take up as much of your time or more of it than another estate of



\$500,000. It is just according to the character and the make-up of the people you are dealing with, as to what kind of fees you are to get, and what you are to get in order to be paid for the services rendered.

Now, as far as the payment of coupons on these bonds, where the customer is a trustee, in my opinion the services should be paid for, but the fees which should be paid do not always pay you for the services which you render. Take an issue of bonds of \$100,000. Divide them up into \$100 combinations, and \$500 combinations, and look at the vast number of coupons that you have to handle every time you pay a dividend.

In addition to that, with this new federal income tax law, you have got to examine every single certificate that comes in. Now, the work in connection with that thing amounts to a great deal more than the fees ordinarily charged by the trust companies for disbursing that interest.

Now then, in paying this interest the size of the issue and denominations of the bonds have a great deal to do with the charges for those services. With a \$2,000 bond, you can handle it easier than a \$100 bond.

So far as the administration of the companies are concerned in Missouri, that is governed by statutes. We do not enter into that question at all. The law fixes the rates and the fees that we receive, and we receive them.

Now, when it comes to acting as trustee under the will, that is left entirely to the trust company and the trustee and beneficiaries as to what those fees shall be. That is where we have to use our ingenuity in arriving at the right and proper fees to be charged. The fees in those connections are hard to determine. If it is a customer that has a great amount of business for the other departments outside the trust department, you have to regulate your fee according to the services, or to the value that you want to give that man. If that man is a very large man, naturally you will take better care of his business than for some one else who has nothing at all except his trust work.

Now, it is almost impossible to fix a standard price. I was talking to men today, as to what the charges were for registering stocks, and for fees for transferring stocks, and I was very much surprised to see or hear it stated that some persons were registering stocks for ten cents, and in other places they were registering transfers of shares of stocks for very little more. Now, I do not believe that will pay for the expenses in attending to that kind of business, when you stop to think of the transfer agents, you have got to be responsible for every one of those endorsements. You have got to make the transfer, and if anything is wrong, the company is liable. It is transferring from the corporation itself, the responsibility of transferring stock as a transfer agent, and I think whenever any trust company assumes that kind of an obligation, it should have a reasonable fee, not only for the work that they do, but for the responsibility that they assume, and I do not see how any trust company, acting as transfer agent, can make anything for less than 50 cents a certificate for each transfer.

Now, we go again to this same question, this matter of competition. I was in Chicago a short time ago, and they told me that they cut the prices all to pieces, because there was a new trust company starting out in business, and it cut it down, and they had to meet those cuts. It is impossible there again to establish any uniform price, because some of them were bound by the uniformity, and others were not, and on that account you cannot establish any uniform system for any of this work, as local conditions have always governed every case.

Thank you, Mr. Chairman and gentlemen for listening to what I have had to say although it is no more than anybody else has already said, but I would like you to

know what other people are saying and doing on these subjects.

#### REMARKS OF UZAL H. McCARTER OF THE FIDELITY TRUST COMPANY OF NEWARK

Mr. Chairman and gentlemen, there is one thought which occurred to me, which has not been brought out, and for which nobody is to blame but the trust companies themselves. I speak now of an experience in New Jersey, where we have a statute that prescribes our fees. We have nothing to say about it. The Probate Court settles the entire matter of fees, but day by day, due to the organization of new and small trust companies, the business of handling trusts is being commercialized, and that is a thing that I am against.

A man who is going to draw his will writes around to 15 or 20 trust companies throughout the state: "I am drawing a will of so many dollars, and think of appointing your company; what will your company charge to administer such an estate?" You are suspicious of the bumper, and you call up one or two of your friends to find if they have all got the same letter. The old iron trust companies, so to speak, of course, fall back entirely on the statute and will not make any cut rate whatever; but the new companies that come into the business do not realize as the gentleman from Los Angeles said, the responsibilities—they don't understand the responsibilities involved.

I do not believe any one of the companies in this country are getting commensurate pay for the transfer of stock. I do not believe the new trust companies in the business realize the responsibilities assumed by them in the transferring. My thought in the matter is this: That all that this general body could do would be to refer through its law committee, the endeavor to have passed through in the states, where there is not a statute referring to the fees, such a statute. Now, each state can fix its own rate, but then let the weight and the influence of this Section be, that the trust companies within the state shall stand to that standard that has been established within that statute.

We cannot prescribe one rule for all over this broad country but the conditions which meet the various trust companies in New Jersey, in Pennsylvania, and in any other state that you choose, are practically identical, and this idea of competitive situations affects the trust companies themselves. One trust company having, as mine has, for over 25 years, built up an organization for the proper handling of this business, cannot compete, will not compete, and could not if it would, with the new trust companies that do not understand the necessities of the legal department, and of the various functions that go with the proper maintenance and care of the trust.

I think we should turn our faces against commercializing fiduciary business. I speak now of the probate business. I think the other matters of bonds, are largely competitive situations; but I do believe that the court business, the so-called probate business should be taken out of commercialism, and that the company, if it knows it, should not depart from the rate established, by which it exists.

MR. A. A. JACKSON: Mr. Chairman, I would ask Mr. McCarter, would it not be a better result if statutory provisions were enacted in every state, making it clear that the companies could not be corralled in charging the statutory rate by other companies who wanted to cut under?

MR. McCARTER: Of course that would be advisable, but I entertain hopes to overcome that by the influence and effort of this section, which should be used in advising the trust companies of the different states against just such action. I think that a propaganda could be put forth by this Section, calling to the attention of the trust

companies the dangers and risks involved in this business. Now, if a new trust company gets a will away from any of you gentlemen, and it does not have the proper equipment to handle that trust which it gets, it does every trust company in the country injury owing to the fact that it has had the management of that trust and has made a failure of it.

The building up of corporation trusts has been an exceedingly hard job even amongst the best trust companies of this country, an exceedingly difficult and hard job, and fortunately there have been few failures in it; but let there be one failure in a trust company handling the estate of a prominent citizen, and the work of a century will be undone by that one failure. That is what I want to guard against. I want the trust companies of the country to realize the dangers of the situation, and as a means of doing that to rid the business of commercialism.

MR. KING: What are the charges?

MR. McCARTER: It is a maximum on the income of say five per cent. and on the principal of an estate over \$50,000, the Court may permit, say, five per cent.; then, as the estate goes up, the rate goes down, and so it averages just under three per cent., I think that is about our average rate in New Jersey.

If I may say just one word more, Mr. Chairman, so far as our company has gone forward in this, they were appointed under the will of a prominent citizen of New Jersey, an estate between one and two million dollars—I don't remember the exact amount. It seemed to us to be rather an attractive proposition, but I did not read the will far enough. The last clause limited us to some ridiculous fee, and we simply declined to qualify for it or have anything to do with it.

MR. JACKSON: I am sorry to take up so much of the time of this meeting, but my own fear about this matter of going to the legislature was that a state might have legislation enacted that would confine the trust company in its charges to so small an amount as to handicap it, I think. New York, for instance, in answer to your question, as some of you probably know, has a statute which provides that one can take on the first thousand dollars, five per cent., and on the next ten thousand two and one-half per cent., and on the amounts beyond that, only one per cent., applying to income, as well as to principal.

That does not seem to me to be at all adequate, cer-

tainly not in any moderate-sized estates. Would it not be better really—Mr. McCarter suggests you do otherwise—but I was wondering whether the proselytizing of trust companies to charge some adequate fee could be carried out, and then we stop there, and not go to the legislature for specific enactments?

MR. McCARTER: I think that would be much better.

MR. HERVEY: Mr. President, another feature in that connection is that the legislators have many lawyers among their ranks, and if they tamper with fees, in my state, they might cut the fees down so low that people won't take it.

MR. KING: It seems that everybody in trying to standardize this overlooks the fact that you can have several estates amounting to the same sum, and yet the work in one is so much more difficult in regard to the investments in connection with it, and the time that will be required to carefully look after that, will be so much greater that a certain amount charged would be utterly inadequate to take care of every estate; while another one is twice that amount and would require very little work.

MR. McCARTER (President, Fidelity Trust Company, Newark, Chairman): Mr. Chairman, it is a difficult subject to know just what to do. Most of the states in the Union—I think most of them—have state banking associations. I would suggest as the resolution to be offered here:

That this section disapproves of the commercialization of the personal trust business, and that it recommends to the various state associations throughout the country, that through their influence in their different localities, they endeavor to reduce this competitive commercialization to a minimum.

That is a pretty long talk, but enough to go on with. I suppose you know what I mean?

MR. JACKSON: I second that.

THE PRESIDENT: I understand you exactly. You have heard Mr. McCarter's motion, which has been seconded by Mr. Jackson. I might say that this Section has always followed the rule that it has never taken an active part in any state legislation, but has used its influence through the state associations, and the matter has always gone into their bailiwick, you might say. All in favor of Mr. McCarter's motion will please say aye.

(The motion was carried, with one dissentient.)

## Committee and Officers' Reports—Trust Company Section.

### Report of Executive Committee, by Frank W. Blair, Chairman

*To the Members of the Trust Company Section of the American Bankers Association.*

Your Executive Committee in submitting its annual message is pleased to report the maintenance by the Trust Company Section of that steady growth in membership as outlined in the annual report of the Secretary, which has marked the history of the Section since it was organized twenty years ago; also an equally pleasing increase of interest in the Section's affairs on the part of the members.

Three meetings of the Executive Committee have been held since a report was made to you in Seattle. The first, immediately after the adjournment of the annual meeting, the second, at Briarcliff on the eighth day of last May, and the third, here in Kansas City yesterday. The most important of these was the one held at Briarcliff, at which 14 of the members of the Committee were present. At this meeting a communication was read from Secretary Farnsworth suggesting an amendment of the by-laws of the Section as regards the election of State Vice-Presidents. The Secretary of the Section was therefore directed to prepare an amendment providing that each state should

be entitled to a Vice-President of this Section, and that such Vice-Presidents should be elected by members of this Section in attendance at the annual convention of their state associations, or in the event of the failure of the delegates of any state to so elect, the President of this Section shall be empowered to fill the existing vacancies. It was at this meeting that the decision was reached to depart from former practice in making up our programme for the annual meeting and do away with the set speech. It was arranged to substitute for it a discussion to be led by one of our own number and participated in by others. Several subjects were proposed, and after due consideration the one you find named in your programme was selected. Mr. A. A. Jackson was asked and consented to lead, and a number of others have agreed to take part. It is believed that those attending this meeting will not only be well entertained, but out of the discussion will learn something which will be of value to them in the future conduct of their business.

At the same meeting the arrangement was made for the change recently put into effect in the New York office, which change is responsible for the presence here today of Mr. LeRoy A. Mershon as Secretary of the Trust Company Section.

At each of the meetings much routine business was transacted and



many reports received, details of which are too minute and voluminous to submit here today, and the ground has been prepared for much constructive work to be accomplished hereafter.

Steady progress has been made in the prosecution of suits brought to test the right of national banks to perform a line of business heretofore confined to individuals or to corporations organized especially for the purpose. In one state a decision has been handed down by the highest court and in another by a lower court sustaining our contention that the Federal Reserve Board had no authority to grant fiduciary powers. Details regarding these decisions and the status of other cases brought by the trust companies of the United States will be furnished you later by the committee having the litigation in charge. We do not deem it improper to record here our surprise that notwithstanding the probably grave consequences, the Federal Reserve Board continues to grant in large numbers their so-called permits to national banks to transact trust business.

After consultation with many of those who have attended the functions regularly, the date of the Trust Company banquet was advanced from May to February. The change seems to have been justified, as there were present at this year's banquet a considerably greater number than ever before.

In July Mr. R. L. Rutter, because of press of other business, tendered his resignation as a member of this committee. The resignation was accepted, and Mr. John W. Platten of New York was selected to fill the vacancy thus created. Another resignation was occasioned by the retirement of Mr. Thornton Cooke from the trust company field to accept the presidency of the Mid-West National Bank of this city. Since Mr. Cooke's term of office would have expired with this meeting, the place has not been filled.

In common with other financiers throughout the world trust company men are being called upon almost daily to face new conditions and new problems brought about largely by the European war. So far, these changed conditions have been faced boldly and complicated situations handled with skill. Therefore, while the outlook for the future seems complex and uncertain, we believe the achievements of the past should give us confidence and courage to look forward with optimism.

Perhaps one of the greatest dangers with which the immediate future is confronted is the speculative hysteria resulting from the presence of too much money. More than ever before, wildcat schemes are being developed and sold to the public, and it is a common sight to see in the daily, weekly and monthly periodicals, advertisements of stocks and bonds of companies for the existence of which there is no business justification. In addition to the foregoing, investments are being offered in certain existing industrial organizations the stocks of which have been increased on the basis of present inflated earnings without due regard to property values.

As the investment by innocent persons in such speculative ventures may result disastrously, it seems to us that unless all bankers turn in and use the power which they undoubtedly possess to discourage such promotions, there will eventually result an agitation for the correction by law of the abuses arising therefrom, and in the endeavor to legislate, the matter may be carried so far that deserving and honest undertakings may suffer.

#### Report of Committee on Legislation, by Uzal H. McCarte

There has been little of active work for your Committee to engage in since its last report, the matters in interest being mostly, if not entirely, in the control and under the care of the counsel employed by certain of the trust companies in the country who are testing the constitutionality of paragraph eleven, section K of the Federal Reserve Act, which paragraph attempts to grant trust company powers and functions to national banks. The practical result of the action of the Committee in so testing this section has been to at least defer any general attempt on the part of national banks to engage in this business. It may be that some national banks are endeavoring to do this business in smaller localities, but in the larger cities throughout the country there is no noteworthy instance of a national bank undertaking this class of business, though many have been granted power so to do by the Federal Reserve Board.

The present legal situation is that in Illinois and New Hampshire the courts have held that national banks cannot exercise fiduciary powers in those states. In Massachusetts a suit by the Attorney General is pending and at issue and will be brought on for hearing in the fall.

In Pennsylvania proceedings against the act have not been instituted for the reason that no national bank in that state is exercising fiduciary powers.

In New Jersey the Attorney General is unwilling to commence proceedings except upon the ground that to exercise the privileges would be in violation of the state law. Arrangements have been made by your committee to test in New Jersey the constitutionality of the act through a friendly suit between a trust company and a national bank. Both parties to the issue joined in a petition to the Attorney General of the State, requesting, as is necessary in such cases, the use of his name to begin such action, but either for political or other reasons he refused to grant the request, his action being most unusual and unheard of, when, as in our case, both parties joined in the proceeding.

The question has been argued in Michigan before the Supreme Court, and a determination thereof is expected at the opening of the fall term of that court, it having adjourned for the summer without handing down a decision.

The expense of this litigation has thus far been borne by a few of the trust companies which undertook the obligation in behalf of the trust companies of the country, and while the contest for obvious reasons has not been raised by the Trust Company Section but rather by individual institutions that are members of the Section, nevertheless the benefits that may be gained will be to the advantage of all the trust companies of the country. Your Committee is accordingly informed that a notice will shortly be sent to the trust companies of the United States, requesting them to reimburse the committee for the expense of the litigation in proportion to the capital of these

different institutions, and your Committee earnestly recommends to the trust companies of the country that they promptly respond to the special committee's financial request to the end that the expense may be met by those most interested in the results, so that through a broad and general contribution the burden will be distributed in such a way as to work a hardship on none.

The cases thus far instituted in the several states will, of course, have to be carried to the Supreme Court of the United States for final adjudication before your Committee's work is finished and considerable time must therefore elapse before this final result can be reached. Your Committee, therefore, would suggest that it be continued in office and that the recommendations referred to in this report be given your favorable consideration.

#### Report of Protective Laws Committee

During the past twelve months only eleven states have held regular Legislative Sessions, so that opportunity for activity on the part of the Committee has been limited.

Five of these States—*Rhode Island, New York, Maryland, Kentucky and South Carolina*, took no direct action either for or against Trust Company interests, and a member of the Committee considers this result to be something in the nature of a victory.

*Georgia* authorized its State Banks and Trust Companies to transact business in acceptances and passed a Usury Act, restricting the penalty for violation to loss of the entire interest.

*Mississippi* finally passed the Uniform Negotiable Instruments Law and provided additional penalties for violation of its Banking Laws by officers and directors of Banks. Regulations were adopted providing for the investment of the State Bank Guaranty Funds in multiples of \$10,000 and the guaranty was extended to include Cashier's checks, certified checks and sight exchange.

In *Louisiana* a number of improvements were made in banking laws relating to reserves, authority and duties of State Bank Examiners, etc. None of the legislation provided any new protection in Trust Company affairs.

*Massachusetts* empowered Trust Companies to accept drafts and issue letters of Credit, and also passed an Act permitting deposit of Trust Funds in Trust Companies and providing for a limit and increase in Capital Stock of Trust Companies. The Legislature of this State was willing to permit the appointment of National Banks as Trustees, Administrators and Executors, but the act was vetoed by the Governor.

In *New Jersey* any corporation organized under the Act entitled "An Act concerning Trust Companies" approved March 24, 1899, is now permitted to take over and continue the business of any Bank heretofore organized and may use the word "Bank" or "Banking" as part of its Corporate title.

In *Virginia* an Act was passed which enables a Bank doing a Trust Company business to omit the word "Trust" from its Corporate name. Acceptances were authorized and regulations governing them were provided.

The Committee has had correspondence during the year with the membership of other Committees of this Association, and other organizations asking its assistance in the passage of legislation in the several States and at Washington. In a majority of these cases your Committee has been pleased to give aid in the extent of its abilities. The Chairman attended a joint meeting in Washington of the Bill of Lading Committee of this organization and of the American Bar Association, which meeting has resulted in the passage of legislation advocated.

In view of the increase in our foreign trade—present and prospective—it is suggested that Trust Company officials might, with profit to themselves and their clients, give consideration to the establishment of Branches in foreign Countries.

Respectfully submitted,

E. D. HULBERT,  
J. C. DRAKE,  
ISAAC H. ORR,  
RALPH STONE,  
LYNN H. DINKINS,  
Chairman.

#### Report of Secretary of Trust Company Section

The Financial Statement from August 15, 1915, to August 31, 1916, is as follows:

CREDITS	
Sept. 9, 1915, By Appropriation of Executive Council .....	\$8,075.00
Received from Sale of Trust Company Proceedings .....	60.60
Received from Postage and Stationery.....	40.00
Received from Sale of Trust Company Laws.....	1.00
	<hr/>
	\$8,176.60
DISBURSEMENTS	
Salaries .....	\$3,936.40
Book of Proceedings, 1915.....	1,043.47
Executive Committee Meetings.....	723.08
Convention Expenses.....	616.07
Rent .....	605.04
Postage, Stationery and Printing.....	271.20
Loving Cup for Retiring President.....	125.00
Gold Badges .....	72.00
Traveling Expenses .....	52.00
Express .....	17.69
Telegrams .....	10.31
	<hr/>
	7,472.26
Credit Balance .....	\$704.34

# Detailed Report of Proceedings.

Twenty-first Annual Meeting TRUST COMPANY SECTION, Held at Kansas City, September 26, 1916.

KANSAS CITY, Tuesday, September 26, 1916.

John H. Mason, Esq., acting President, in the Chair.

Leroy A. Mershon, Secretary.

The President called the meeting to order at 2:30 P. M.

THE PRESIDENT: We will open our meeting with prayer. (Invocation was said by the Reverend Charles R. Nisbett, the pastor of the Central Presbyterian Church of Kansas City.)

THE PRESIDENT: The next order of business is the Annual Report, which as your President, I will submit to you.

## Annual Address of the President, John H. Mason

To the Members of the  
Trust Company Section of the  
American Bankers Association:

I look upon each meeting of the Trust Company Section of the American Bankers Association as marking another milestone in our banking progress, and today I extend a most hearty welcome to you all upon the occasion of our Twenty-first Convention, and I know of no more fitting place for our meeting than this progressive and beautiful City. Since our last meeting held just about a year ago in Seattle, complex and varied conditions have confronted the bankers throughout this Country, however, the year has been one of marked progress for the Trust Company Section, the details of which will be set forth in the reports to be submitted to you by the Chairmen of the various standing Committees, and I will, therefore, not detain you by reciting them.

You will no doubt recall that at the Convention held in Seattle last Autumn there was adopted an amendment to the By-laws of the Association whereby Federal Legislation was placed in the hands of the Federal Legislative Committee of the American Bankers Association and the Sections were required to present their views to that Committee. In a way there was practically no legislation enacted in Washington that had a very vital bearing upon the Trust Companies. However, as we are part of the Banking Fraternity, and a very important part, there was considerable legislation enacted which at least, in an indirect way, affected our interest and our clients, and I take this occasion to most heartily commend the splendid work of Mr. Charles A. Hinsch, the Chairman of the Federal Legislative Committee, and I think that the Committee deserves our thanks for its activities. To it belongs, certainly, considerable credit for the passage of the Kern Bill amending the Clayton Act in its provisions in regard to the Interlocking Directors. In addition it assisted in the defeat of the Clark amendment to the Philippine Bill which, in my opinion, would have jeopardized the investments of many of our Institutions, as well as our citizens in approximately \$16,000,000 of the Philippine Bonds. Only recently, I think it was mainly through the Committee's efforts, that the Special Tax of One Dollar per \$1,000 on the capital and surplus of all Banking Institutions of the United States, which was provided in the Kitchen Revenue Bill, was amended and reduced to Fifty Cents per \$1,000.

I am one of those who believe that the future holds out great promises for the Trust Companies of the United States. I think they must broaden their field of endeavor and adapt themselves to the changing conditions that are occurring constantly, so that they may render the best possible service in their community, and in addition they must take their part in international finance.

Insofar as the Federal Reserve Act is concerned, I have yet to find in it any provisions sufficiently attractive to induce the Trust Companies to enter. I do believe, however, that there is a field for both the National and the State Banking Institutions, and there is absolutely no reason why they should not work in unison and thereby render the best of service throughout this Country.

I rather fancy that two of the most perplexing questions confronting the Banker of today are: "The Conflict Between Labor and Capital" and the "Financial Position of This Country After the War." Just prior to the European conflict, in my opinion, Great Britain was losing its preeminent position in the trade world, and I think, to a great extent, it was due to the Labor Organizations. No organization can possibly make the inefficient efficient, but they may legislate to bring the productive power of the efficient down to that of the inefficient and thereby bring upon themselves calamity. There is absolutely no argument on the point that Capital can get along without Labor, neither is there any argument that Labor can get along without Capital, and yet it seems to me that both at times forget this truth. Then again, neither can get along without brains, nor without due regard for the public interest and welfare. Capital is organized and mobilized in this Country, and I believe that Labor should do the same, but in addition, its organizations should be incorporated and held responsible for their acts, as well as the Industrial and Railway corporations, and no legislation, either State or Federal, should be enacted that favors either one or the other, and I regret to say that such legislation has been enacted, and I trust the near future will see such laws repealed. The laborer does not need favoritism, all he needs is justice, and it behooves you and me to use whatever influence we may have with both our State and National Legislators that laws granting him justice shall be enacted and no others.

What factor will the United States be in international finance when the European conflict ends? It is only necessary to consider the phenomenal figures that our export trade has amassed, and in addition the foreign credits and loans which we have made since the beginning

of the War, to fully realize that this stupendous balance will constitute a gold reserve that for a long period will prevent an outflow of the yellow metal. Since the war the United States has imported \$730,000,000 in gold and has paid back a considerable amount of its previous borrowings, increased its foreign trade by \$2,250,000,000 yearly, and loaned to foreign countries \$1,500,000,000, so that the Dollar now has replaced to a considerable extent the old sovereignty of the English pound.

Insofar as a default upon the part of England, France, Russia or Germany on any of their external obligations is concerned, I do not believe there is the slightest reason for any apprehension. With hardly an exception, the Bankers who have made a special study, or are in any way familiar with the vast resources of the warring nations, unhesitatingly state that not one will become bankrupt, and I think they are right.

Great as has been our export trade, it will yet be greater, and for a year at least we must vastly increase our output of farm and factory products. Every man today has new and larger opportunities. The farmer and the manufacturer has a better market for his product and the American Banker has an opportunity to become a factor in the rehabilitation of the finances of the world.

However, upon the Banker rests great responsibilities and I hope he will meet them, and judging by the events of the past two years, I think we have every warrant to believe that he will. It will require continued labor, more efficiency and greater progressiveness than ever before, then the reward will surely be the reaching of a zenith of prosperity in the United States that should carry us forward and establish us as one of the dominant factors in international finance for many years to come.

THE PRESIDENT: The next order of business is the report of the Executive Committee, by Mr. Frank W. Blair, your Chairman.

## Report of Executive Committee

[This report is printed on page 175.]

THE PRESIDENT: Of course, the report of the Executive Committee will take the usual course, and be spread on the minutes. It is not necessary to have a motion.

The next subject on our program is the Report of your Legislative Committee, which will be submitted by Mr. McCarter, Chairman of that Committee.

## Report of Committee on Legislation

[See page 175 for this report.]

MR. MCCARTER: Mr. President, if I might say a word with regard to that report, the question naturally arises—how much is this litigation going to cost? We do not know. We have expended thus far between six and seven thousand dollars. We have not received our full bills yet for the Supreme Court statement and arguments that have been held, and as it will have to go before the Supreme Court of the United States, it is probable that we will spend before we get through somewhere between \$20,000 and \$25,000.

It is thought by the Committee having this in charge, which you understand is entirely separate from this Section, though we are all members of the Section, that a notice should be sent to each and every trust company, that is, trust companies of a capitalization of \$100,000, so much, and above \$100,000 so much, and by so doing, a fund can easily be raised to meet this entire expense that a few of us who have underwritten the expense should not be subjected to the burden for the benefit of all.

THE PRESIDENT: Fellow members, we have just had Mr. Lynch, the President of the American Bankers' Association, pay us an afternoon call, and I am sure you will all be very glad to permit a break in the order of the program, in asking him to say a few words.

JAMES K. LYNCH (President, American Bankers Association): Mr. Chairman and Gentlemen: It seems to me it would be a little more politic to allow me to sit here a little while and find out something about the trust companies; that is what I will have to do, to receive some instruction.

THE PRESIDENT: Gentlemen, he knows all about it. That is the way he always talks.

MR. LYNCH: My statement was correct. As you have allowed me to break into the program I won't consume much of your time; but I wish to say that I am very much pleased to learn now from the statement made by Mr. McCarter, that the trust company authorities are going to take on new activities this year. This is a most important Section, probably the most. It is the oldest and has done already a great deal of valuable work. There is no question but that there is much more that it can and will do.



I certainly have no instructions to give you and no information and no advice, because my experience has been all along the lines of commercial banking.

I am aware that the trust companies are doing a great deal of commercial banking, nevertheless, I feel that the great trust companies throughout the country will remain as they are, as trust institutions, with the banking more or less supported. It appears to me that in doing that they are more nearly carrying out the purposes for which they are intended. When the trust company becomes an active competitor in the business in commercial lines, it takes on a degree of hazard, which it may be fully competent to care for; but nevertheless, I think would have an effect on the minds of those people who are contemplating the bestowal of trusts. It seems to me it must inevitably follow that it should be so; so that I believe in the end the trust company will find its greatest success by staying pretty closely to the lines of conservative investors, I think, and the handling of the trust company's business.

I certainly wish your Section a very great measure of success. It has already made for itself a name that is valuable, and I have no doubt you will continue the same.

MR. McCARTER: I move that the Section report its appreciation of the compliment made to it by the President of the general Association by a vote of thanks expressed by rising.

THE PRESIDENT: The motion is unanimously carried as I do not see anybody sitting down.

MR. McCARTER: Mr. President, due to the slight interruption we had from the routine business, I do hope that the recommendations contained in the report of the Legislative Committee will not be overlooked. I think that if the Section records itself as approving of the plan which the Committee made up of individual members, has in mind, it will assist largely that Committee in the collection of the expenses which are necessary for this situation.

I hope that the recommendations therein will at least receive some attention and not be passed by without any.

MR. WILLIAM C. HEPPENHEIMER: I move the report of the Committee be approved, and the notice sent out accordingly to all the trust companies.

MR. A. A. JACKSON: I second that.  
(The motion was carried.)

A VOICE: Mr. President, I also have a motion that the Committee on Legislation be continued.

THE PRESIDENT: That will come up in the regular order of business. The next matter on the program is the report of the Committee on Protective Laws, to be submitted to you by your Chairman, Mr. Lynn H. Dinkins, who I might say has been the Chairman of that Committee ever since it has been formed.

#### Report of Protective Laws Committee by Lynn H. Dinkins

[This report will be found on page 175.]

THE PRESIDENT: Gentlemen, I had intended after Mr. Blair submitted his report, as Chairman of the Executive Council, in which he refers to the fact that Mr. Rutter retired from our Executive Committee, and that Mr. Platten was appointed in his place by the Executive Committee, that it is necessary under the By-Laws, if it is the wish of this meeting, and I sincerely trust it is, to continue Mr. Platten, for the unexpired term of Mr. Rutter, and that a motion to that effect be made as that action must be confirmed at the meeting, as he only continues for one year, and he was elected to take Mr. Rutter's place, which does not expire until a year from now.

MR. RHODES: I move that accordingly.

MR. HEPPENHEIMER: I second that. (The motion was carried.)

THE PRESIDENT: The motion is carried, and Mr. Platten will serve for the unexpired term of Mr. Rutter. We have now the Report of our Secretary, Mr. LeRoy A. Mershon.

THE SECRETARY: The financial statement from August 15, 1915, to August 31, 1916, inclusive, is as follows:

#### Report of the Secretary

THE PRESIDENT: Gentlemen, you have heard the report of the Secretary. What is your pleasure?

MR. DINKINS: I move it be received and filed.

A VOICE: I move that the Auditing Committee take up the account.

THE PRESIDENT: It goes through the audit of the General Secretary's Office of the parent Association, and we are so well audited that I might say that all we have left after the year is over—and I see Mr. Lynch laughing at me, we turn back to the parent Association, so I think it is pretty well audited. All those in favor of the report of the Secretary, that it be adopted and filed, will please say aye. (The resolution was carried.)

I suppose we are all interested in expediting the business of this Section as much as possible, and to accomplish that it would be well for us to appoint a Nominating Committee whose duty it shall be to lay before you gentlemen five names to be acted upon to fill the terms expiring at this meeting.

MR. A. A. JACKSON: I move such committee be appointed.  
(The motion was seconded and carried.)

THE PRESIDENT: The Chair will appoint on that Committee, Mr. Jackson, Mr. Mardwald, Mr. Cooke, Mr. Rutter, and Mr. Rhodes.

The next business on our program is the discussion of the Standardization of Charges for Trust Companies' Services. Mr. Jackson, we shall be very glad to hear from you.

#### "Standardization of Charges for Trust Company Services"

[The remarks under this head by Mr. Jackson and others, as well as the action of the meeting on the question, will be found on pages 170 to 174.]

#### ELECTION OF MEMBERS OF EXECUTIVE COMMITTEE

THE PRESIDENT: I see that our Chairman of our Nominating Committee has returned from his consideration of the nominees for the offices that have been made vacant here, and I will ask him if he is ready to submit his report?

MR. A. A. JACKSON: Yes, sir. Mr. President: Your Committee in considering the names for presentation to this convention gave thought to the fact that it was the desire of all of us to have men of prominence and men of ability and men who would come and attend our meetings, and they have come to the following conclusions—I now present to you the following names, five in all:

Edward D. Hulbert, President of the Merchants' Loan and Trust Company, Chicago.

William C. Heppenheimer, President of the Trust Company of New Jersey, Hoboken.

John W. B. Hausman, President Farmers' Trust Company of Lancaster, Pennsylvania, and President also of the Pennsylvania State Bankers' Association.

Seward Prosser, President Bankers' Trust Company of New York.

W. T. Kemper, President of the Commerce Trust Company—of this most beautiful and hospitable city of Kansas City.

That is the unanimous decision of your committee.

MR. —: Might I ask for what offices those gentlemen are named?

THE PRESIDENT: They are nominated for the five vacancies occurring in the Executive Committee of the Trust Company Section to serve for three years from their election. Gentlemen, you have heard the report of your committee, what is your pleasure?

MR. —: I move you that the report of the Committee be adopted, and those members named on the Committee be elected. (The motion was carried.)

#### REPORTS OF VICE PRESIDENTS

The next matter on the program is the report of the various vice presidents from the different states.

[We omit these reports since after a few responses it was arranged to have such of the vice presidents as cared to make reports submit them in manuscript to the Secretary.]

THE PRESIDENT: In arranging the program for our Section meetings this year it was necessary to confine ourselves to one session. As a rule we have met in the morning, and again in the afternoon, and I do not know whether I will make myself very unpopular or not, but I wish to say that time is passing rapidly and we have a long program to carry out. If no one of the Vice-Presidents desires to make a verbal report, we would be glad to have the reports submitted in manuscript to the Secretary, but if anyone wants to make his report verbally we would be glad to hear them, but we have a long list here and if it meets with the approval of the meeting I think we had better dispense with the reading of them and file them with the Secretary.

#### METHOD OF ELECTING VICE PRESIDENTS

I have a few things here which I wish to bring to the attention of the Section. At the Spring Meeting of the Trust Company Section held in May, this bill was approved for action by the Kansas convention. The gist of it is that every State in the Union shall be entitled to a Vice-President in this Trust Company Section of the American Bankers' Association whether they have one or one thousand branches. That Vice President shall be elected by the State Association. If the State Association fails to elect a Vice President then the members of the State Association elect them, then the Vice President must be elected by the Trust Company men and not the Bank men. If they fail to elect, then the Vice President is appointed by the Vice President of this Association. This is a long amendment. I move we adopt it as written. (Motion to that effect made, seconded and carried.)

The text is as follows:

September 15, 1916.

Colonel Fred. E. Farnsworth, General Secretary,

American Bankers Association, New York City.

Dear Colonel Farnsworth:

At the Spring meeting of the Executive Committee of the Trust Company Section, held on May 8, 1916, the following amendment to the By-laws of the Trust Company Section was approved for action at Kansas City:

August Journal, 1916.

#### AMENDMENT TO BY-LAWS

In accordance with the resolution of the Executive Committee an amendment to the By-laws of the Section will be presented at the coming meeting in Kansas City. This amendment refers merely to the election of state vice-presidents, and it is made to conform more closely with the By-laws of the other Sections. If amended, the By-laws will then read as follows: (The part amended is the part in brackets, and the new part immediately follows.)

#### BY-LAWS OF THE TRUST COMPANY SECTION

Section 1. The administration of the affairs of the Section shall be vested in a President and a First Vice-President of the Section and an Executive Committee. [From each state from which there shall be at the time of an annual meeting five trust companies which are members of the American Bankers Association there shall be elected a Vice-President of the Section. Any state having less than five trust companies, all of which are members of this Section, shall be entitled to a Vice-President. In states having trust company associations, a Vice-President of the Trust Company Section of the American Bankers Association shall be nominated and elected at the annual convention of such state association. Such election shall be certified by the Secretary of the state association to the Secretary of the Trust Company Section.]

In states not having a separate trust company organization, but having a State Bankers Association, a Vice-President shall be elected by a majority vote of trust company representatives, whose companies are themselves members of the Trust Company Section of the American Bankers Association, in attendance at the annual convention of the state bankers association. Such election shall be reported to the state convention. Certification of such election shall be forwarded

to the Secretary of the Trust Company Section by the secretary of the state bankers association within a reasonable time after said convention.

Where a Vice-President for any state has not been named in either of the above ways the election of such Vice-President shall be left to the executive officers of the Trust Company Section.

Each state shall be entitled to a Vice-President of the Section. Such Vice-President shall be elected by the trust company delegates, whose banks are themselves members of the Trust Company Section of the American Bankers' Association, in attendance at the annual convention of the state bankers association of their state. In the event of failure to so elect, the Vice-President shall be appointed by the President of the Section. These Vice-Presidents shall hold office from the annual meeting of the Section next following their election or appointment until the next annual meeting of the Section. The state Vice-Presidents shall act in an advisory capacity to the Executive Committee, but shall not be entitled to vote.

The Executive Committee shall consist of fifteen members in addition to the President and First Vice-President, who shall be ex-officio members of such Executive Committee, and ex-Presidents if still members of the Association, shall also be members ex-officio for three years after the expiration of their term of office.

The President, First Vice-President and members of the Executive Committee shall serve until their successors shall be chosen or appointed, but shall not be eligible for re-election for the period of one year after the expiration of their respective terms of office.

The Executive Committee shall elect its own Chairman from among its members, and shall also select a Secretary of the Section, who may or may not be a member of the Section.

The Executive Committee shall, as soon as may be after its organization, divide itself by ballot into three classes of equal number, designated as the first, second and third class, of which the first class shall remain in office one year, the second class two years and the third class three years, and at each annual election members of the Executive Committee shall be elected for a term of three years to fill the vacancies created by the retiring class.

The Executive Committee shall have power to fill vacancies until the next annual meeting, and may adopt all necessary rules for the business of the Section.

The President and First Vice-President shall represent the Section on the Executive Council of the American Bankers' Association (adopted October 13, 1914.)

In order that this amendment become effective it is, of course, necessary that it be approved by the Executive Council, after which it will be adopted at the regular annual meeting of the Trust Company Section.

Very truly yours,

SECRETARY.

#### ELECTION OF VICE PRESIDENTS

I have here a list of the vice-presidents.

I would suggest that they all be approved as written down here. (Motion to such effect made, seconded and carried.)

#### TRUST COMPANY SECTION

##### Vice-Presidents elected by State Bankers Associations

##### Alabama:

##### Arizona:

Arkansas: Charles G. Henry, President, Arkansas Bank & Trust Company, Newport.

California: W. D. Longyear, Cashier, Security Trust & Savings Bank, Los Angeles. Associate Member, Trust Company Section.

Colorado: J. V. Cockins, Vice-President, Central Savings Bank & Trust Company, Denver.

Connecticut: W. P. Bryan, Secretary, Colonial Trust Company, Waterbury.

##### Delaware:

##### District of Columbia:

Florida: H. G. Aird, Vice-President Guaranty Trust & Savings Bank, Jacksonville.

Georgia: F. S. Etheridge, President, Atlanta Trust Company, Atlanta.

##### Idaho:

##### Illinois:

##### Indiana:

Iowa: F. O. Fisher, Vice-President, Security Savings Bank, Cedar Rapids. Non-member, Trust Company Section.

Kansas: Sheffield Ingalls, President, Commerce Trust Company, Atchison.

##### Kentucky:

##### Louisiana:

Maine: E. A. Butler, President, Rockland Trust Company, Rockland, Maryland: F. G. Boyce, Vice-President, Mercantile Trust & Deposit Company, Baltimore.

##### Massachusetts:

Michigan: Robert D. Graham, President, Grand Rapids Trust Company, Grand Rapids.

##### Minnesota:

Mississippi: J. M. Hartfield, President, Merchants Bank & Trust Company, Jackson.

Missouri: E. W. Moore, Treasurer, Pioneer Trust Company, Kansas City.

Montana: O. W. Allen, Cashier, American Bank & Trust Company, Billings.

##### Nebraska:

New Jersey: Bird W. Spencer, President, Peoples Bank & Trust Company of Passaic, Passaic.

New York: A. W. Loasby, President, Trust & Deposit Company of Onondaga, Syracuse.

##### North Carolina:

Ohio: F. J. Woodworth, Vice-President, First Trust & Savings Bank, Cleveland, Ohio.

Oregon: William Pollman, President, Baker Loan & Trust Company, Baker.

Pennsylvania: Montgomery Evans, President, Norristown Trust Company, Norristown.

##### Rhode Island: Aram J. Pothier,

President, Union Trust Company, Providence.

##### South Carolina:

##### South Dakota:

Tennessee: J. M. Fink, Cashier, Banking & Trust Company, Jonesboro.

##### Texas:

##### Virginia:

##### Washington:

West Virginia: B. T. Neal, Jr., Assistant Treasurer, Union

Trust & Deposit Company, Parkersburg.

##### Wisconsin:

#### GROWTH OF TRUST COMPANY RESOURCES

MR. PLATTEN: Mr. President, may I suggest that I have some information in regard to trust companies? We have statistics of all the trust companies for 13 or 14 years. Mr. McCarter gave us the figures last year and they were notable. This year they are more notable. The total resources amounted to six billion, three hundred million. This year it was \$7,600,000,000, an increase of \$1,300,000,000, in the total resources of the trust companies of the United States.

MR. ———: How does that compare with the national banks?

MR. PLATTEN: I did not get it last year. We have 150 more trust companies reporting; at the same time the increase in the various states, and particularly in the West is noticeable. New York leads off with \$500,000,000 increase as compared with last year, and compared with 1914 it is \$1,750,000,000.

THE PRESIDENT: I am sure we are all glad to learn of these very pleasing statements which Mr. Platten has just favored us with.

#### NOMINATIONS AND ELECTIONS

The next order of business is the Election of Officers for the Coming Year, and the Chair is prepared to recognize anyone desiring to make a nomination.

MR. ZENN: I nominate for the office of President for the ensuing year Mr. Uzal H. McCarter.

MR. JACKSON: It gives me much pleasure and great privilege to second that nomination, as I have been associated so long with Mr. McCarter, and I know so well his executive ability and his prominence in every way, that I take pleasure in seconding the nomination.

THE PRESIDENT: The Secretary advises me that he has cast one ballot for the Association in favor of Mr. McCarter, and I have the honor to announce that Mr. McCarter has been elected President of the Association. (Mr. McCarter is called to the rostrum.)

PRESIDENT-ELECT McCARTER: I have been looking forward to this for many years. It is an honor to be President of the Trust Company Section of the American Bankers' Association, to which any man, regardless of his business association or relations in life, may honestly aspire to; and if he receives it, he should be justly proud that he has acquired it.

I particularly appreciate the nomination coming from my own state, for they knew me best there; and the responsibility will lie with them if they have made a mistake.

I have been engaged in the work of the Trust Company Section for many years. It has been a great delight to me. I bespeak the full co-operation of all with the Chairman of the Executive Committee and with the other officers during the coming year.

MR. MASON (addressing the retiring President), I believe you receive a decoration here too. [The retiring President received a smoke box and expressed his appreciation in a mirth provoking manner.]

THE PRESIDENT: The next order of business is the election of a Vice-President of the Section.

MR. DIXON: As first Vice-President of this Association I wish to place in nomination a man who has been my friend for many years a man whom I am sure everyone will be pleased to see in the office—Mr. Frank W. Blair. (Moved, seconded and carried that the Secretary cast one ballot electing Mr. Blair.)

THE PRESIDENT: It has been my privilege to work alongside Mr. Blair during the past year and for several years in the work of the Association, and I am sure no wiser act could be done by the convention than to nominate and elect him as our First Vice-President.

MR. FRANK W. BLAIR: I thank you, gentlemen, from the bottom of my heart. I do not think there is anything more I can say. All I can add is, I am going to do my best.

THE PRESIDENT: That concludes the election and installation of officers, gentlemen.

Is there any Unfinished Business to bring before the Section before we adjourn?

I should like to notify the old and the new members of the Executive Committee that there will be a meeting in this room immediately on the adjournment of this meeting.

Meeting adjourned.



# SAVINGS BANK SECTION

## AMERICAN BANKERS' ASSOCIATION

Fifteenth Annual Meeting, Held in Kansas City, Mo., September 26, 1916

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### *One Hundred Years of Savings Banking*

BY EDWARD L. ROBINSON, Vice-President Eutaw Savings Bank of Baltimore.

The correct interpretation of a great movement is dependent upon a knowledge of the antecedent conditions which give it birth; one hundred years of savings banking in the United States will be better apprehended if we sketch briefly some of the processes of human endeavor by which in the fulness of time man was brought to realize that he is his brother's keeper. Pauperism is a picture in which the somber tones prevail but the Master Artist with a kindly hand has mingled lights amid the shadows—evil is being overcome of good.

To us the march of progress seems painfully slow; the pages of history appal us with the record of social ills; the poor we have always with us; likewise the vicious, the depraved and the unjust, all are in some degree products of a perverted social order. What has civilization wrought to overcome these inequalities of fate? Much in many ways and our task of recital takes us through Elysian fields of conquest.

The first recorded savings banks were government affairs; Pharaoh and Joseph were the executive officers; we read of them in Genesis, forty-first chapter; the seven years of plenty were utilized for gathering together at strategic centers Egypt's wealth of grain; when the specter of famine stalked to and fro the reserves of these banks were released to the markets of the world; the providence of Joseph brought blessings to the people and legitimate gain to the nation's treasury. In this event we have an accurate illustration of the savings bank principle; with one hand it reaches down to help the humble and the deserving and with the other it reaches up and bestows its largess upon the state.

History tells us little of the progress towards mitigating the many pangs of poverty, disease and distress until the latter part of the seventeenth century, when the dawn of a new day was just beginning to break; it is true that much private and public benevolence have from the earliest ages softened the sorrows of the unfortunate, but these efforts were not directed to the sources of the trouble—anaesthetics were administered to the effects—the causes remained without treatment; the axe had not yet been laid to the root of the tree. The thrift instinct is heaven born; unhappy to relate, the creatures which

we call inferior cultivate that instinct with greater foresight than we who have been made lords over created things; the animal kingdom by means of example—with a united voice—pleads with mankind to lay by in store; man alone is improvident and heeds not the warning that a day of reckoning and maybe a day of wrath is rapidly moving towards him; he alone is willing to trust to the kindness of destiny and refuses to offer hostages to fortune.

Man must be *persuaded* to save; his complacency must be disturbed; his social obligations must be made known to him; his thrift instinct must be stimulated and a proper channel must be provided through which it may find expression.

#### EARLY EFFORTS TO EXTEND SELF-HELP.

It is difficult to do exact historical justice to those who by common consent are associated with the origin and development of the savings bank idea; efforts by the state and by the individual to relieve the constantly increasing menace of pauperism in France, Germany and England gradually brought forth many experimental remedies; Daniel Defoe's brilliant imagination did more for the world than produce Robinson Crusoe; his biographers believe that he has many other claims to stand in the gallery of the immortals; he was born in 1660—256 years ago—but his views upon political and economic questions would give him a respectable standing among students of modern problems; he was apparently a pioneer in advocating for women equal educational opportunities with men—consummated in this country just 200 years after he was born; he was far in advance of his day in advocating the abolishment of the cruel legal procedure of imprisonment for debt; he wrote on this subject feelingly, having himself failed disastrously in an extensive business venture; it must be said to his credit, however, that after effecting a compromise with his creditors, he later on honorably discharged his old debts in full; he urged the necessity of improved highways—the longest delayed of all his visionary schemes; he drafted plans for a Mutual Marine Insurance Society, a friendly benevolent society, and what is of greatest

interest to us—he proposed a pension plan for the working classes so that a tranquil old age might be assured to the industrious through systematic contributions to a fund to be administered by the Government and drawn upon by contributors in their time of need and in proportion to their previous savings. All of these theories were advanced in a book produced by him in 1697 entitled "Essays on Projects"; another treatise on similar lines was entitled, "Giving Alms no Charity and Employing the Poor a Grievance to the Nation." He was a prolific writer on many themes, a keen satirist, an enthusiastic controversialist and naturally in constant trouble; for one of his literary indiscretions he suffered fine and imprisonment and was publicly pilloried for three successive days.

It is, of course, true that the awkward pension plan and for nearly six months there was no central government from the modern savings bank but the desideratum of each is the same—the banishment of poverty through a provident care for the future. Here at least is the savings bank in embryo.

#### FIRST ACTUAL EFFORTS

The idea seems to have taken root first on the Continent in Brunswick, Germany, where a bank for savings was established in 1765; another was established thirteen years later, in 1778, in Hamburg which is still in existence; following these came one at Oldenburg in 1786, at Loire, France, in 1790, at Basel, Switzerland, in 1792, at Geneva in 1794, and at Kiel in Holstein in 1796.

#### FIRST EFFORTS IN ENGLAND

No serious attempt seems to have been made in England towards forming a savings institution until 1797, one hundred years after Defoe had published his "Essays on Projects"; in that year Jeremy Bentham agitated the inauguration of a system of so-called "Frugality Banks"; two years later, in 1799, the Rev. Joseph Smith put the plan in action at Wendover, Buckinghamshire; the Christmas Fund conception seems to have originated in this parish; the minister circulated proposals to receive sums on deposit from the working classes during the summer months when times were prosperous and to return the amounts at Christmas with the addition of one-third, or thirty-three and one-third per cent., as a bounty from the depositor's economy. To the Anglo-Saxon then belongs the credit for first suggesting the savings bank idea and to the Teutonic race for first giving a practical demonstration of its effectiveness.

We shall now follow briefly the fortunes of the new institution in England until it waxed strong enough to be sent across the seas to America. In 1798 Miss Priscilla Wakefield established at Tottenham High Cross a Friendly Society for Women and Children, designed to afford annuities upon the attainment of a certain age, sick benefits and a burial fund; three years later its functions were enlarged to include a savings bank and a fund for loans. Rather an ambitious undertaking even for the modern "uplifter!" Rapidly following the example set by Miss Wakefield, savings banks were established in London, Bath, Ruthwell in Dumfriesshire, Edinburgh, Kelso, Hawick, Southampton and other places. It should, of course, be borne in mind that the plans of all these banks were crude and unscientific, depending too largely upon the bounty of the benevolent people who organized them; most of them failed to attain their high purposes, but earnest and devoted minds were addressing themselves to a heroic, humanitarian problem; they were working in the dark; but they had faith to believe that there was light ahead.

Through the tedious processes of elimination and evolution there was visualized in 1810 a dream which long had been the heart's desire of many who, like Abou ben Adhem of old, dearly loved their fellow men. At Ruthwell in Dumfriesshire, Scotland, the Rev. Henry Duncan

put into active operation in that year a "Parish Bank" upon which the modern self-sustaining savings bank is patterned; its organization was simple and effective; he publicly and privately exploited his plan with the happy result of quickly and widely extending its beneficent principles; the "Edinburgh Society for the Suppression of Mendicity" learned of Dr. Duncan's work and in 1814 the Edinburgh Savings Bank was organized; this splendid institution is still performing a highly useful ministry to its community and ranks fourth in amount of deposits among all savings banks in the United Kingdom. From this time on the banks began to multiply until in 1817 Parliament took the system under its control and regulation; meantime the banks have been voluntary philanthropic organization and abuses of trusteeship had naturally crept in. Suitable legislation for their protection having been enacted, these trustee savings banks were gradually established throughout England, Scotland, Wales and Ireland; in 1818 there were two hundred banks of this type in existence; all with private management but under state control. The system has always been kept under close governmental scrutiny and continues to prosper in the larger communities, but in the smaller districts is giving way to the post-office banks, inaugurated in 1861, which offer greater conveniences to their patrons; notwithstanding the diminishing number of the trustee banks, their resources continue to grow satisfactorily.

The development of thrift goes on unabated, and through the several classes of banks ready facilities exist almost everywhere for its encouragement. These numerous agencies for gathering the small savings of the industrious poor have done much to develop the character of the sturdy and independent Briton and to make London the financial center of the world.

#### CONDITIONS IN THE UNITED STATES AT CLOSE OF REVOLUTIONARY WAR

We shall now pass to a consideration of the conditions in our own country just prior to the importation of the savings bank to America. The War of the Revolution, begun in 1776 and lasting through seven weary years, left the colonies weak and impoverished. They had cheerfully yielded up their all and counted not the cost too great for the freedom to work out their independent destiny; they then undertook to *deserve* the liberty their arms had won—but "tasks in hours of insight willed through hours of gloom must be fulfilled."

At the close of the war in 1783 the public debt was \$42,000,000; continental currency was worth only two per cent of its face value; Congress was actually impotent; no power to levy taxes had as yet been conferred by the states; the states themselves were unable to take care of their own paper money which had been lavishly issued to finance their local burdens; extreme poverty and the rigid enforcement of the drastic processes for debt drove the farmers of western Massachusetts into an insurrection which the state quelled with difficulty; in 1784 the situation was desperate almost to the point of anarchy; in fact there were symptoms of dissolution of the Union and for nearly six months there was no central government; in 1786 interest on the national debt was in arrears and Robert Morris, who financed the war, resigned his office in disgust and despair. It is difficult to understand how any people could survive such poverty and weakness as our forefathers endured at this period. Added to these troubles there sprang up a looseness of manners and morals, due to the long-continued army life where home restraints and social conventions too often lose their power over conduct. But God was on His throne and was leading His people through discipline to a realization of His purposes concerning them.

The ship of state began to right herself in 1790, at which time the census revealed a population of 4,000,000 people. Trade, industry and finance were in disorder;



the country's resources were largely agricultural, but manufacturing began to receive encouragement by state bounty. Connecticut commenced to manufacture clocks and tinware; Rhode Island and Massachusetts established cotton mills, secretly importing the necessary machinery from England in violation of strict parliamentary prohibition; exports consisted almost entirely of foodstuffs and imported manufactured articles wrought serious hardships to home industries; other social and economic problems were pressing for solution; new commercial alignments were made necessary by the fortunes of war; readjustments were difficult and painful, but the spirit of the people was "sufficient for all these things," and with patient assurance they began to put their house in order. In their zeal to cure social ills they applied many unwise and unscientific remedies; these experiments, while often futile, indicated the benevolent temper of the people. As an evidence of this it may be mentioned that as far back as 1778, in the early stages of the war, the New York Legislature passed "An Act to regulate the wages of mechanics"; in 1779 a bill was introduced for "the relief and settlement of the poor," and in 1780 an act was passed for the general limitation of the prices of commodities. Of course, such legislative efforts to relieve the distresses of the people were abortive because they were wrong in principle, but the light was beginning to break.

In 1792 "The Society of Mechanics and Tradesmen in the City of New York" was incorporated for the purpose of protecting and supporting such of their brethren as by sickness or accident may stand in need of assistance, etc.; in 1802 a "Society for the Relief of Poor Widows" was formed; in 1803 a lottery was incorporated for "public improvements and charitable purposes." Many other societies with similar aims were formed in the ten years following, probably the most interesting of these being the "Society of Tammany or Columbian Order in the City of New York," incorporated in 1805. The purposes of this society, as indicated in its charter, were originally charitable—its creed is differently regarded to-day. Upwards of forty of these benevolent societies were given corporate life by the legislature of New York alone between 1786 and 1817. Other states were active in similar channels and their combined usefulness was a mighty factor in alleviating human distress. Pauperism was then a more engrossing subject of discussion than to-day, indicating that in the past one hundred years civilization has made progress in healing this social disease, although we are still conscious of its blighting influence.

Such then was the atmosphere existing in our country during the latter part of the eighteenth and at the beginning of the nineteenth century. We have seen that our forefathers had many battles to fight, but they did not neglect their duty to those of their brethren to whom fate seemed unkind; the time was ripening for the advent of the greatest uplifting social agency which civilization has produced.

#### SYSTEM TRANSPLANTED IN AMERICA

Earnest minds were in touch with the experiments in England and on the continent in the matter of frugality banks and old-age pensions; the "Bank for Savings in the City of New York" owes its origin to the influence exerted by a London magistrate, Patrick Colquhoun, upon the mind and heart of Thomas Eddy, a merchant of New York City. Mr. Colquhoun had been advocating savings banks upon a self-sustaining basis for the preceding ten years and Mr. Eddy was no doubt familiar with their general plans and purposes through correspondence and contact with Mr. Colquhoun; at any rate, on November 20, 1816, a meeting of prominent citizens was held, at which Mr. Eddy presided, the stated purpose of which was to form a savings bank. The principles of the proposed institution were explained, a con-

stitution adopted and directors chosen; committees were appointed to procure a location for the bank, to secure an act of incorporation from the legislature and to draft an address to the public. It was deemed unwise to begin operations without legislative authority, and this was not granted until March 26, 1819. Business did not actually begin until July 3, 1819. On the opening day \$2,807 was received from eighty depositors; by December 27 the deposits had grown to \$148,372.27 and the number of depositors had increased to 1481. It is amusing to note that in its first six months' business it suffered losses aggregating \$50.92—\$27 in counterfeit money and \$23.92 "losses in change," so called—or what is more familiarly known in this day as "short cash." The president's first report to the legislature is an able and interesting paper; he expected the bank to "excite the enmity of those whose emolument was the fruit of prodigal expenditure"; in other words, he expected organized opposition from the tavern keepers, proprietors of places of amusement, etc.; he was agreeably disappointed, however, and reported that even several public tavern keepers had "brought their money to the bank for safety and increase."

The trustees of the bank attended personally to its affairs, a committee of three serving monthly in rotation, coming in contact with the patrons of the bank, securing their confidence and giving such advice to many of the depositors as "they believed would tend to promote careful habits and moral feeling." Some of their depositors confided to the trustees that they had suffered severe losses through lending their savings to some plausible friend with the promise of an extravagant return; such losses were due to the lack of a "secure place of deposit" and "ignorance of how to improve what had been laid up."

This impressive extract goes to the heart of the savings bank principle: "The effect on the moral habits is not more certain than striking; he who has learned to be economical has first gotten rid of pernicious modes of spending money. Every time he adds to his amount he has an additional motive for perseverance. In the provision he is making for futurity is associated all which can gratify him as a father, a husband, a guardian or a friend. The talent which heaven has committed to his care he improves for the objects of his affections; this, again, endears them to him, and thus the sum of human happiness is increased and extended. It is impossible for men continuing to act on such principles to be immoral."

Several classes of depositors are alluded to as particularly needing the friendly offices of the savings bank—among these are seamen, "Who are proverbially improvident, not so much, perhaps, from a love of waste as from a total ignorance of how to dispose of their money"; the clergy also comes in for generous recognition as "a body of gentlemen perhaps more entitled to our gratitude and care than any other in the community"; allusion is made to the "large families" and to the "small means" of these foes of Mammon, but it is naively stated that most of them *can* save a little; some of them at least accepted the invitation to lay up for themselves treasures upon earth notwithstanding the corrupting influence of rust and moths.

This paragraph is especially fine: "As parents, as citizens and as men the trustees exult in the prospects which the bank for savings holds out to this growing city and state. The habits which a resort to it induce hold out the best pledge for a reduction in the public burdens, as they are connected with indigence and want. They tend to inspire a spirit of independence, and in their moral operation lessen crime, poverty and disease. They teach man to depend upon his own exertions; encourage industry, frugality, cleanliness and self-respect and effectually prevent those who are so fortunate as to

be influenced by them from applying either to public provisions or to private bounty for support."

In concluding this admirable report it is said that: "The trustees are fully aware that they have undertaken an arduous task; but in the approbation of the public authorities, the countenance of their fellow-citizens and the increasing comfort of the community they will have a full reward."

The address to the public issued a few weeks before actual business began is also an admirable document and indicates that the new philanthropic institution had enlisted the active support of the kindest hearts and the most sagacious minds of the community; the following short extract from the address shows that the organizers knew how to put "punch" into advertising matter: "The immense profit which arises from a rigid system of economy, and from depositing even small savings at interest probably exceeds the most sanguine expectations; the sum of one dollar deposited weekly for a period of sixty years would amount at the end of that time, with its accumulation of interest, to upwards of twenty thousand dollars." This appeal to the higher instincts is also very good. "There are few spectacles more truly gratifying, or more honorable to human nature, than a poor man surmounting, by his own exertions, the difficulties of his situation, and training up his family in the ways of honor and virtue, of industry and independence."

All will agree that the new bank began its career under auspicious influences and it is gratifying to relate that it still energetically continues its high mission of propagating the gospel of self-help and from the modest beginnings of 1819 has grown to enormous proportions, having to-day approximately 150,000 depositors and assets of more than \$100,000,000. The history of this bank has been referred to somewhat at length because its experiences were typical of what was going on elsewhere.

#### SYSTEM INAUGURATED IN PHILADELPHIA

It has been shown that on November 29, 1816, the first public meeting in the interest of establishing a savings bank was held in New York City, but that the bank itself did not begin to do business until July 3, 1819; three days after this first public meeting in New York, or on December 2, 1816, the Philadelphia Saving Fund Society actually began to receive deposits, but as a purely voluntary association; it did not receive a state charter until February 25, 1819; to Philadelphia, therefore, belongs the honor of having established the first mutual savings bank in America; in the beginning its growth was slow. After operating two years and four months its deposits amounted only to \$45,114—when it was taken over by the incorporated institution; to-day it is a monumental institution outdistancing all other banks in the country in number of depositors (290,000), and is only slightly behind the leaders in amount due depositors (\$125,000,000).

#### SYSTEM INAUGURATED IN BOSTON

Boston enjoys the distinction of having the oldest incorporated savings institution; "The Provident Institution for Savings in the Town of Boston," having received its charter on December 13, 1816, eleven days after the Philadelphia Saving Fund Society opened its doors. A public meeting called by Hon. James Savage was held in Boston in December, 1816, and the following sentiment endorsed: "It is not by the alms of the wealthy that the good of the lower classe can be generally promoted. By such donations encouragement is far oftener given to idleness and hypocrisy than aid to suffering worth. He is the most effective benefactor to the poor who encourages them in habits of industry, sobriety and frugality."

It appears that this is the first public act of legislation recognizing and protecting savings banks; England did not put them under the protection of Parliament until

the following year, 1817. The bank began to do business in the spring of 1817 and declared its first quarterly dividend of one per cent. in July of the same year; five years later, in 1822, its deposits were \$600,000 and its surplus \$6,200; this institution continues to enjoy the confidence of its depositors and now has about 105,000 depositors and resources of \$57,000,000.

#### SYSTEM INAUGURATED IN BALTIMORE

One other bank must be mentioned in connection with the pioneer work of encouraging thrift in the United States: "The Savings Bank of Baltimore" was organized as the result of a public meeting held January 1, 1818, "for the purpose of receiving deposits of such small sums of money as are the profits of industry and economy"; it began to do business March 16, 1818, and received its charter from the Maryland Legislature in December of the same year; this bank also stands in high favor with its constituency, has 53,000 accounts and resources of \$37,000,000.

#### THE MOVEMENT GROWS SLOWLY

These four banks were the vanguard of a mighty social movement which has kept an even pace with the material progress of our country; it is significant that they were ushered into existence during the "era of good feeling" with which the administration of James Monroe is associated and shortly after the War of 1812, during which American manufacturing had received a strong impetus because of the blockade which England had maintained, preventing the importation of foreign manufactures; there was a feeling of optimism—people began to believe in themselves and in the greatness of their country. The funds of the new savings banks were at first exclusively invested in government and municipal securities but very soon the law sanctioned first mortgage loans on fee simple properties. Other communities soon began to follow the example set in the large centers of population and the movement slowly spread throughout the States. In 1820 ten banks were in existence with 8,635 depositors and \$1,138,576 in deposits; twenty years later, in 1840, there were 61 banks, 78,781 depositors and \$14,051,520 in deposits; in 1860, twenty years farther on, there were 278 banks, 693,970 depositors and \$149,277,504 in deposits; from 1860 the movement gathered momentum and to-day there are 2159 savings banks, 10,686,000 depositors, \$4,700,000,000 on deposit.

#### TWO TYPES OF SAVINGS BANKS

No uniform laws exist in the several states governing the incorporation of savings banks nor in prescribing standards of investment; the character and practices of the banks therefore vary widely. The mutual savings bank without capital stock is perhaps the ideal savings agency where neighborhood conditions justify its establishment, but local needs are fully met in most of the large communities of the West and South by the capital stock bank. Of the total number of pure savings banks existing today, 630 are of the mutual type and 1,629 have capital stock; the average deposits in each class being roughly \$6,000,000 in the mutual banks and \$500,000 in the capital stock class. The mutual banks are not growing in number; in fact, there has been a net loss of seven banks in the last twenty-five years, but they are growing enormously in resources, having trebled their deposits in the same period; in this respect their experience is similar to the trustee savings banks in England, to which reference has already been made.

#### CRITICISM OF STOCK SAVINGS BANKS

The capital stock Savings Bank has been discredited in some quarters because of the admittedly commercial motive behind it. In 1873 Congress directed the Comptroller of the Currency to investigate and to report upon the general subject of State and Savings Banks.



It developed that many of the so-called Savings Banks were not legitimate, according to the interpretation of Justice Davis of the Supreme Court of the United States, who held that a Savings Bank was one without capital and whose earnings inured exclusively to the benefit of its depositors. The country has outgrown this narrow conception of a Savings Bank and is to-day prepared to support a bank of any sort which offers facilities for conveniently receiving small sums on deposit and which affords absolute safety and a reasonable rate of interest; it is not concerned whether the motive of the management is philanthropic or selfish; it demands efficient service. Some states now forbid the establishment of any Savings Bank except those of the mutual type and permit no other institution to use the word "savings" in its title.

It has been observed that the mutual Savings Bank is not increasing in numbers. It is easy to discern the reason. It is not because the spirit of philanthropy is waning, but because the newly organized mutual Savings Bank is an institution of such slow growth as to be unable to comply with the public demand of to-day as readily as the capital stock bank, whose principal profits are usually derived from its commercial business.

There is, however, one criticism which justly lodges against certain capital stock Savings Banks and other institutions with savings departments, which is that their savings deposits are mingled with their commercial deposits and subjected to the same investment risks. Many states by law require a strict segregation of savings funds and prescribe rigid standards of investment for them. Public sentiment is leaning strongly toward making this requirement general and it seems to be a reasonable provision of safety. As an evidence of the public good will toward Savings Banks with capital stock it may be stated that in 1875 there were twenty-seven banks of this class and to-day 1,529. This shows that they are filling a need and that their business is prosperous.

#### THE MUTUAL SAVINGS BANK CRITICIZED

The mutual Savings Bank is also not without its critics, and, strange to say, its crowning virtue is its distinguishing weakness—conservatism. Whether from tradition or from the very nature of its business, the fact remains that as a class these banks are not aggressive in the sense of seeking new avenues of usefulness to their patrons or of affording them modern financial facilities which trust companies and capital stock banks, with an enlightened self-interest, are eager to furnish. It is not within the province of this paper to suggest any remedies, but to point out that a heavy responsibility presses upon the shoulders of those to whom this great trust has been committed not only to maintain the magnificent prestige of their institutions, but to pass them on to their successors, equipped for the demands of to-morrow. To the experience of age should be linked the vigor of youth.

#### METHODS OF ORGANIZATION OF MUTUAL BANKS

Brief mention should perhaps be made of the usual methods employed in organizing a mutual Savings Bank; the simple legal requirements remain almost unchanged from the beginning of the system; the state legislature or the general law recognizes a given group of men who apply for a charter as a corporate body and clothes these men usually with power to name their own successors; the depositor has no voice in the management and membership in the corporation or an active trusteeship is regarded as a community honor; in some instances the local court passes upon the qualifications of those nominated to fill vacancies. It is, of course, not to be assumed that a charter is granted to *any* body of men who seek one; in times past abuses have occurred in granting such privileges and to-day most of the states clothe their banking departments with power to give or withhold permis-

sion to start a new bank. The departments are guided by the character of the men making application and by a canvass of neighborhood conditions to determine if a public need for such an institution exists. Organization expenses and the early costs of administration are usually taken care of by a guarantee fund subscribed by the incorporators; in some instances a bond is required in order that the depositors may not suffer from the collapse of the institution in the early stages of its existence.

#### ACCUMULATION OF A SURPLUS FUND

In order to take care of inevitable losses, the mutual bank immediately begins to accumulate a surplus or guarantee fund to serve the bank in lieu of capital. Some state laws now provide that a certain percentage of annual net earnings be set aside until a minimum surplus of three or five per cent. of the total amount of deposits is attained, the rate of interest allowed to depositors being fixed at a low figure until the minimum surplus is reached. The maximum amount of surplus permitted is fixed at ten per cent. in Massachusetts, at twenty-five in New York, while other states prescribe no maximum but allow a wide latitude of judgment to the trustees. Considering the high average class of investments held by these banks it would seem that a surplus maintained at ten per cent. of total deposits would be ample for all emergencies, but in the system as a whole the average protection is much less than this amount, and many banks are even struggling along without having reached the minimum prescribed by law. This weakness will no doubt work out in time.

#### STABILITY OF MUTUAL SAVINGS BANKS

Errors of judgment have often occurred in establishing banks where they were not needed, and most of these have died a natural death without inflicting losses upon their depositors, the organizers having kept faith with the people whom they were anxious to help; there are, however, instances on record where banks were organized purely because their promoters were seeking some selfish end, and such banks always constitute a grave element of danger. Following the Civil War there occurred the greatest activity ever experienced in the organization of new Savings Banks; in New York State alone in the ten years following the war their number doubled. All the New England States had a similar experience. Those banks which came into being during this period in response to a real need and which were sponsored by high-minded and conservative trusteeship survived the severe depression brought about by the panic of 1873. Many others were crippled and some went to the wall. A survey of the wrecks reveals that the losses suffered by depositors were surprisingly small; many institutions with careful liquidation paid their depositors in full, nearly all eventually paid a generous percentage of the funds entrusted to them. It is gratifying also to relate that actual delinquency in handling these funds has been exceedingly rare; embezzlements by officers and employees have occurred, of course, but failures have been nearly always due to ignorant and stupid management, to excessive interest rates paid depositors and to the natural sequence of assuming unwarranted investment risks in order to swell the income of the bank. It should be said to the credit of most of those who have assumed the high office of trustee that they have been loyal, diligent and efficient. It is doubtful whether in any sphere of activity more zeal and intelligence have been displayed than in the conduct of these banks.

#### LIMITATION OF DEPOSITS

It has been pointed out that the original purpose of the Savings Bank was to encourage those who by their daily toil and by dint of self-denial could lay by small sums for the proverbial "rainy day." It has always been assumed that normally in times of employment a margin

exists between necessary expenditure and the actual income of the working classes; of course, no one can save money who is unable to earn it. The appeal of the Savings Bank is therefore not to the desperately poor—they must receive alms—but to the modest earner of his daily bread, who is thus encouraged to manage his affairs with prudence so that the narrow margin between income and outgo may constantly widen, the difference to be put aside as capital. Such a policy is preventive and serves to control the increase of indigence, for it must be recognized that pauperism largely draws its recruits from those who could have saved if the thrift appeal had taken root; many cannot be reached by thrift teaching. The instinct to squander and to vicious self-indulgence has a strangle hold upon them, but it is often possible to reveal his folly to the foolish and to save the prodigal to habits of industry, sobriety and self-control; the appeal of the Savings Bank is to a man's manliness, his scorn of dependence and his ambition to lift himself beyond his surroundings. It is evident then that the call to the higher impulses of men comes with the same accent to all who gain their livelihood through their own exertions, for that man is poor who is dependent upon the fruit of his labors and who is accumulating nothing against a possible future want; the clerk with a salary of \$500 needs the protection of the Savings Bank and so does the professional man with an income of \$10,000. Happily all classes have claimed the privilege of using the facilities which the Savings Bank affords; and the larger deposits of the more prosperous have multiplied so rapidly that our law makers have been led to fix a limit to the amount which any one Savings Bank might receive from a depositor. The effect of such laws was immediately negated by the opening of new accounts in fictitious names or accounts in trust for others and by opening accounts in several banks; in the minds of many such a regulation is injudicious as well as ineffective, and discretion may safely be lodged in the hands of the trustees as to the maximum balance which a depositor may carry. Granting, however, that regular deposits should be limited to a given amount during the month or during the year, it is surely unnecessary to limit the total accumulations of the individual depositor; the ability to invest money wisely is possessed by few; a hardship is imposed upon the self-denying depositor who reaches the goal set for him by the law—\$1,000 or \$3,000—and is then compelled to *invest* the further fruits of his industry; his nature is not changed by magic as soon as he attains the coveted end; he is still a mechanic or clerk or business man with the same investment limitations as before and still needs the help of his bank. Most professional men are so engrossed in their daily task as to be unable to give attention to the principles of investment and their earnings are an easy mark for the plausible vendor of unsound securities; many good business men confess to a similar ignorance; and the Savings Bank should offer a safe refuge to all who desire its protection. Likewise, the widow who receives a lump sum of life insurance should not be compelled to divide her all into several units if she prefers to entrust the whole to *one* bank in which she has confidence, nor should she be compelled to assume the risks of investing it. An incidental advantage of the large account is that it serves to reduce the ratio of expense to deposits, and this inures to the benefit of the small depositor; the element of danger is that in times of panic withdrawals of large sums might necessitate the sacrifice of securities in order to meet the unusual drain; the general experience of the strong Savings Bank is that in seasons of stress their large deposits usually remain undisturbed; this objection, however, if real, may be overcome by a by-law provision grading the length of notice required according to the amounts applied for. It has in this way come about that the Savings Bank is meeting other social needs than simply caring for the modest savings of the humble daily toiler; it has become

a reservoir of such ample dimensions as to invite the accumulations of those who enjoy a moderate degree of affluence.

#### THE SCHOOL SAVINGS BANK

The school Savings Bank was first inaugurated in France in 1834; it was believed that early training in the principles and habits of thrift would yield handsome dividends, not only in character but in subsequent material benefits; the venture met with great success and today France leads the world in the vigor with which this work is propagated and in the results achieved. In the United States it was introduced through the zeal and energy of Mr. John H. Thiry of Long Island City in 1885 and is now firmly entrenched in the public school system of several states. This work is purely philanthropic and perhaps can never be made to pay its own way, but it renders a service to the community of inestimable worth and the indirect advertising benefits to the participating banks offer at least a partial compensation. Several practical plans have been devised for introducing the system in almost any school and some of them provide that the necessary clerical service be furnished by the scholars: a lively interest is being manifested by boards of education throughout the entire country and its general use would have a telling influence upon the next generation. Statistics have been gathered from which it appears that there are in existence 1,925 school Savings Banks with approximately 400,000 depositors who have \$1,800,000 to their credit—an average of about four dollars and fifty cents for each depositor.

#### THE UNITED STATES GOVERNMENT ENTERS THE SAVINGS BANK FIELD

Toward the close of the Civil War—with the intention of helping those who were about to receive their freedom—Congress named forty men as incorporators of a new bank to be known as the "Freedmen's Savings & Trust Company"; among these men were Peter Cooper and William Cullen Bryant. Thirty branches were established in various parts of the country and the savings of the nation's new wards were gathered into the maw of this experimental institution, fostered under national auspices. The charter contained strict investment limitations and was carefully guarded in nearly all other provisions for the safety of the fund and for the careful execution of the trust; little care, however, was given to a strict observance of the charter requirements and amendments were secured in 1870 which permitted the investment of half of the bank's deposits in real-estate loans. Through loose methods in the central office and crafty agents in the various branches, the funds were soon dissipated and the institution went to the wall with a crash, owing its depositors three or four millions of dollars. The post mortem revealed that the trustees had been too confiding in their agents, who had loaned on worthless securities and real estate which either had no value or was not marketable. The honor of the nation was stained in respect to a purely sacred obligation.

#### POSTAL SAVINGS BANKS

The marked success in Europe of the Postal Savings Bank—which was apparently first inaugurated in England in 1861—naturally led our law makers to investigate the possible benefits of introducing the system in the United States; the party platforms in several successive presidential campaigns were committed to the plan, but Congress seemed loath to adopt it in the face of an almost unbroken front of opposition from the banking interests and of the uncertainty of the public need of such an institution. It was claimed by those who opposed the measure that under our system of government a postal Savings Bank would quench private initiative, that the plan was paternalistic and un-American, and that our government should not enter the banking business in competition with the existing savings agencies. It was pointed



out, on the other hand, that many communities had no savings facilities whatever; that a large element of the population hid their money, which was thus lost to circulation, and that the government owed this service particularly to its large foreign population who had been accustomed to the use of the post-office banks in their mother country and would not trust our private Savings Banks. After much delay a measure was framed and finally passed on June 25, 1910, providing a postal savings system which was designed to meet many reasonable objections which had been urged to its adoption. In the rate of interest to be paid (two per cent.), in the rigid and narrow limitations of the total accumulation permitted, \$500 at first, since increased to \$1,000, and in the use made of the gathered funds—ninety-five per cent. to be deposited in the local banks—much of the “sting” of the measure was withdrawn; its growth was at first disappointing and it was at once evident that the system was not invading the territory occupied by other banks, but was actually drawing money out of hiding places and was making a strong and successful appeal, as was predicted, to the distrustful foreign element. Postmasters reported that the limitation of deposits to \$500 was a serious hindrance to the usefulness of the system, and after much difficulty Congress was persuaded to raise the limit to \$1,000 and gave the trustees discretion to receive an additional \$1,000 but without interest. The European War brought to a sudden stop the heavy volume of small remittances made by our foreign laboring classes to their dependent relatives abroad and these sums at once began to pour into the local postal Savings Banks; the chaotic condition of financial affairs then existing and the enforcement by many Savings Banks of the rule requiring notice for the withdrawal of deposits, influenced many to avail themselves of the ready and secure shelter offered by the Government Savings Bank; the result, of course, was a tremendous influx of new accounts and largely increased deposits in all the savings centers and particularly where the foreign laboring element existed in large numbers; when the war began in August, 1914, the system had deposits of about \$44,000,000, the accumulations of about three and a half years; during August, 1914, the increase amounted to upwards of \$4,000,000, and this abnormal expansion continued throughout those weary months of apprehension in the summer and autumn of 1914. The latest figures, July 31, 1916, show that there were 7,687 post-offices accepting deposits in the United States, Alaska, Porto Rico and Hawaii, and that 612,000 depositors have to their credit \$89,700,000.

#### OTHER AGENCIES FOR SAVINGS

It is evident that the prime function of the pure Savings Bank is educational and philanthropic rather than gainful; the accent is upon an unselfish ministry and not upon the accumulation of profits; this theory, however, does not mean that a helpful and a welcome service cannot be rendered from a motive that is commercial and largely selfish; many things of the greatest value are oftentimes purchased at a heavy cost; barter and exchange involve reciprocal profits and benefits, and those agencies which bid a price for the use of the people's

savings are not to be discouraged but warmly welcomed if the welfare of the depositors is not put in jeopardy. Allusion has already been made to Savings Banks with capital stock; it now remains briefly to refer to several other channels which are open to the use of the people in providing against the frown of fortune although the service rendered is primarily selfish.

By recent legislation national banks are permitted to operate special savings departments; many banks in the rural districts have been receiving this class of deposits for years but without specific authority. The latest figures furnished by the Comptroller of the Currency show that 4,793,670 savings depositors have \$919,731,000 to their credit in the national banks; state banks have 3,400,000 savings depositors with \$600,000,000 to their credit; loan and trust companies 2,500,000 depositors with \$1,053,000,000 in deposits; private banks have 100,000 depositors and \$1,800,000 in deposits. In this enumeration it should also be noted that there are 6,806 building and loan associations with assets approximating \$1,500,000,000 belonging to 3,000,000 shareholders; this class of institution is more closely allied in type to the mutual Savings Bank than to the commercial institution.

#### WHAT OF THE FUTURE?

The figures which have been used to measure the extent of our harvest of savings when combined reach stupendous proportions; in all classes of institutions there appear to be 25,000,000 savers who have at their command resources of \$8,500,000,000, an average of about \$340 for each depositor. It is obvious, however, that a large number of people have several savings accounts, and it is perhaps safe to say that only one person in five in our country is using the resources at his command for safeguarding his future against want; this situation creates the opportunity and the privilege of the future. The price of progress is effort; what a happy augury then that the banking conscience is now aflame with the new responsibility which fate seems to have thrown across its pathway. The devastation of Europe places the burden of financial leadership upon America; our captains of finance must have access to the many streams of wealth flowing from the remotest recesses of our land, and all must help to keep the channels open in order that there may be no lack in the central reservoirs. The banking world recognizes as never before its duty to those as yet unreached by the call of thrift and the future is rosy with promise.

In a largely augmented army of savers we shall see a wider distribution of the stores of wealth, a cheerful and hopeful people and a country prepared to respond to the world call for help. With increasing material possessions we shall see the quickened pulse of power; in the release of a new-born energy of mind and body we shall see the nostrils of men dilated with the breath of a new life; a mutual share in the world's work will create a real brotherhood of man and bring to pass the reign of good will on earth.

It is a high privilege to take part in lifting the veil which hides the beautiful and in ushering in the golden days when “man is man and master of his fate.”

## *The Social Aspect of Thrift*

BY GRAHAM TAYLOR, Head Resident Chicago Commons Social Settlement, President Chicago School of Civics and Philanthropy.

The prominence given thrift on this program is of more than commercial interest. It has a profound public significance, and should have far-reaching effect, not only among the people individually, but upon the progress of their public affairs. Through most of these hundred years, one of whose great achievements we are commemorating, thrift has been proclaimed the American's private god and Benjamin Franklin his prophet! But during the last half of the century the human situation has so rapidly and radically shifted, that thrift can no longer be regarded only as an individual habit or a personal virtue, but must also be dealt with as a far more complex and public problem. The individual independence of the pioneering and colonial Americans has become more and more impossible, as craft has become dependent upon craft, class upon class, country upon city, nation upon nation, each one of us upon the many, in the inextricable interdependence of modern life.

While, therefore, thrift is still rightly to be considered and encouraged as an individual habit and a personal virtue, yet this hour demands the interpretation of those human situations which complicate and enlarge the single and simple meaning of the term and impose thrift as a public duty upon every group, community and nation.

Thriftless is the thrift that sacrifices the life to the livelihood, the person to possessions, the family to its heritage, the community to personal greed, and the national loss of the many to the gain of the few. In encouraging economy and "savings," the individual's own interests should be safeguarded from a foresight which becomes oversight, overlooking the further future in providing for the immediately impending needs and opportunities. For, have we not all seen far too much of the waste of life and the stagnation of wealth when thrift degenerates into the consuming habit of hoarding? The failure of hoarding wealth luridly lighted its own warning beacon in the empty lives and the despairing cries of two rich, old hoarders. One of them despairingly deprecated the approaching end of life by the lament over his burdensome wealth, "It is so hard to let go." The other, lying on his death-bed, which was littered with the certificates of his invested "savings," desolately complained of the loss of his children's love and companionship, while admitting that he had never taken time to pick them up in infancy or play with them in childhood.

An individual's thrift is thriftless when it is at the expense of the group. The family has human rights which the thrift of its individual members is morally and economically bound to respect. A father's savings often costs the loss of the mother's health, the children's physical and educational equipment, and the success, even the very function of the home, are made impossible by the unfitness of the house. Family thrift is a common feature of home life among the laboring poor. Many a mother receives the unopened pay envelope, not only from the children of working age, but from the husband as well, all trusting her to be the spender and the saver for the family. The promotion of thrift by the encouragement of a family savings fund is worthy of our best thought and effort. The vacation and Christmas savings encouraged by savings banks, and still more by "penny savings" agencies, are beginning to help the family to capitalize itself. And yet the discouragement of a boy from withdrawing his penny savings died away from one's lips, when the little fellow explained, "Mother needs a new set of false

teeth." And the little hero's spendings proved thriftier than his savings.

The community is put in many situations in which it is found necessary to regulate and even restrict individual thrift, in order to protect and promote the thrift of the group from that of one of its members, the thrift of the many from the greed of the few, the safety and progress of town, county, state and nation from the exploitation of thriftless thrifts. Thus laws restricting the hours and conditions of women's work are enacted and declared constitutional on the ground of public welfare, notwithstanding the objection of opponents against interfering with the thrift of the woman who wants to overwork, and that of the employer who profits by overworking her. The very birthrate and birthright of the nation are thus defended.

Compulsory schooling is now a prevalent public policy, with penalties for parents who seek the earnings of their children at the cost of their growth and education. Child labor laws are firmly based upon the proven thriftlessness of robbing the child of its schooling, play, strength and efficiency, for the sake of small temporary gains. But it required the recruiting sergeant's rejection of so large a proportion of men as unfit for military service, in order to bear home the wanton waste of child labor as the shame of modern industry and the folly of the nation. But now many of our states are even pensioning dependent mothers, rather than to deprive their children of the mother's care and of their right to free childhood, either by being put away to be cared for by institutions, or by the necessity of earning the livelihood of the home.

The sanitary inspection and condemnation of tenement houses and shops have been found necessary, in order to curtail the thriftiness of their owners at the expense of their tenants and employes, as well as at the peril of the public health and safety. The "new law" tenements of New York City let sunlight and fresh air into the living and sleeping rooms of a million people, who otherwise would have lived and died in dark rooms whose only opening toward the light and air was through other apartments. The abuse of property rights in real estate by renting houses for disorderly resorts has become such a menace to the morals of the community and such a danger to its youth, that the extraordinary interference of the law in the "injunction and abatement act" has been found necessary and declared constitutional on the grounds of public safety and welfare.

The abuse of thrift by the few at the expense of the many and at public cost has led to many legal measures and governmental policies protecting and promoting national thrift. Thus parasitic trades are prevented by minimum wage laws from making their profits at the expense of other trades or of the body politic. Other people is other trades and the taxpayers as well, are thus refusing to bear the cost of eking out the living of those at work for less than a living wage and in seasonal occupations. Sweated industries are also being purged of their blood sweat, both by the revolt of their organized workers and by legal measures for their relief. The sweating of tenant farmers by absentee "retired" landlords as desperately needs to be dealt with. None knows better than the rural banker how the retirement of farmers thwarts the thrift and progress of many retired farmers' towns.

"Safety first" is not only the nation's indignant pro-



test against the wanton waste of life, of which America has been more guilty than any other nation, but it is the rallying cry of a new national economy, conservation and preparedness. The steadily decreasing railway dangers, the ever lessening casualties in factories and shops, the protection of life and property at sea by Plimsoll's water line on freighters and by our own seamen's act, all show what is being done and can be attempted through private and public measures alike to prove that dangerous economies are wasteful and death-dealing greed is thriftless. Uniform safety legislation is still required to standardize thrifty conditions, to protect progressive states and industries, especially the mining interests, from the unfair competition of those disregarding life and limb, and to conserve the nation's greatest assets in the lives, the health and the efficiency of its people. Even this fails to protect life from the most dangerous of all occupations. For, the death every year of at least 300,000 children under two years of age from preventable causes still rates being a baby as the most dangerous of all occupations. No national thrift is more fundamental than the conservation of child life by the Federal Children's Bureau, the American Association for the Prevention of Infant Mortality, and the National Child Labor Committee.

The public ownership of some public utilities, and the public control of all others, is now recognized to be the legitimate thrift of every community. The protection of immigrant labor from exploitation is a national safeguard, as well as justice to the immigrant. The tardy recognition of unemployment as a problem far beyond the capacity of the unemployed, or of private charity to solve, is at last proving it to be public economy for the city, the state and the nation to assume as the problem of each and all of them, not only the relief, but the prevention of unemployment.

The progress of mankind is measured by the multiplication of wants and by increasing the ways and means of satisfying them. As surely as the charity of today is the justice of tomorrow, so surely are the luxuries of today the necessities of tomorrow. This creation of human wants, not their curtailment, is civilization. The thrift that spends as well as saves, is what makes the community a going concern.

Difficult and delicate, therefore, is the task to define thrift so as to make it apply equally to the personal and public values of the one human life each of us lives and the common life all of us live together. It is a good sign of better times that industrial and commercial, professional and civic, educational and religious groups realize this to be their problem. Associations of Commerce are becoming schools of citizenship, training commercial men to trust their best service of the city in the long run to serve their trade the most. Lumbermen's associations discuss in their papers and in their conventions their opportunity to be "community builders," especially in country counties, where the lumber yards are the points of contact and distribution for the surrounding countryside. The Retail Merchants' Association is linking up the country store with the country town for the protection and advancement of both. Country ministers recognize and utilize the country store as an exchange, not only for commodities, but for the interchange of intelligence and discussion and the creation of public opinion, so that some of them are using the store to meet the men for religious instruction and appeal. Manufacturers are finding it to be good business to care for the human elements at least as much as for the raw materials and the finished products of their plants. Commercial establishments are becoming like great households, holding employers and employees together best by promoting their community of interests.

But the question arising out of these human situations which we have been considering and that is put up to the banks and the bankers to solve, is how to make private thrift and public welfare supplement and serve each

other. No one in the community is so well situated to do this service. The bank itself is a clearing house of more common interests than those which we call commercial. It is the exchange where other than money values change hands and through which other values than commercial paper are cleared. As a community center for the exchange of such values, the bank shares and exceeds the informational and inspirational function and influence of the country store, the village blacksmith shop, the lumber and building material yards in rural communities; and in town, it supplements the newspaper, the stock and other exchanges, the executor or guardian, and it is often the substitute for one or all of them.

Few have a function to fulfill so vital alike to individuals and to the local community as the banker. He is the trustee of so much confidence. His confidants range all the way from the widow and the orphan to the treasurers of vast trust funds and of great public deposits. The bankers' responsibilities are as serious as his opportunities are inspiring to promote personal and public thrift and make each advance the progress of the other. None so well as he knows, or can know, how necessary the progress of the community is to the prosperity of every one of the people living in it, and how impossible it is for the community to prosper if its citizens are not progressive. Therefore bankers individually and collectively are more and more inciting and supporting the promotion of community interests through surveys, by agricultural, mercantile and manufacturing developments, in providing better schools, more time and equipment for recreation, good roads and transportation facilities, more participation in public affairs and greater efficiency in the administration of public institutions, business and local government.

Thrift is the point of contact between the multitude who know you not and you who should know them better. To interpret thrift from your point of view not only, but to broaden your view of it by sensing the human situations of the greater multitude that are still strangers to banks and bankers, is the appeal and hope of this hour.

By virtue of your double function as the friendly, confidential counsellors of so many individuals, and as officials of an institution that is or ought to be under public control, you bankers have a greater obligation and opportunity than any other citizens to protect both the individual and the community from thriftless thrift and to promote the thriftiness of both, by proving that neither can succeed if the other fails.

Yours also is the patriotic trust to conserve the confidence of the people in the government and to safeguard the financial honor of the state and the nation. For you are so much regarded as representing the state's guardian care of its people's interests that you have the right and duty to consider yourselves to be in the semi-official service of your country. Either the state should have such oversight and control of banking as will safeguard the people's confidence in the banks, or they should at least be prohibited from using the name of the state in the title of the bank, or from posing as a public institution. When the Milwaukee Avenue State Bank in Chicago was looted, my poor foreign-born neighbors, who had entrusted to it the scant savings of their hard toil, could not believe that the state which loaned its name to the bank would not protect them from loss and justify their confidence in the state. Then I realized as never before what treason it is for a banker to play false to the people and what a bulwark of the state and an inspirer of patriotism a bank could and should be.

Out of the appalling thriftlessness of this most destructive of all wars, the banking interests of the nations will be called upon to restore the financial bonds of a new internationalism, and something of its spirit as well. No such world-wide exchanges of international credits have ever been negotiated as in America during the war. Perhaps this necessity to which we have thus ministered may be the mother of invention adequate to establish the thrift of international peace.

## *“Thrift and Human Nature.”*

By GEORGE E. ALLEN, Educational Director, American Institute of Banking.

*Mr. President and Gentlemen:*

Thrift means something more than conservation of dollars and cents; it means the conservation of manhood and womanhood; it means furthermore the conservation of human nature with all the perversities that human nature possesses.

It is the fashion to say that all bankers are Shylocks, that captains of industry are crooks, that trade unionists are anarchists, that politicians are corruptionists and that society in general is breaking the speed limit on the highway to hell. The truth is bankers individually are among the most popular of men; that captains of industry are philanthropists in accordance with their limited light; that the average trade unionists can be trusted with your money, your life or your wife, and ninety-nine per cent. of the politicians represent the moral and intellectual standard of their constituents with mathematical accuracy. The criticism in all these cases is against the class and not the individual that constitutes the class.

If class hatred could be used not in destruction but in construction it would revolutionize society. Here is an opportunity for some agency of research. Rattlesnake venom has been found valuable in medicine, is it not possible that class hatred can be used in some such way?

It is the fashion to point to Babylon and Rome as precedents among nations in rising from poverty and savagery and in falling from wealth and luxury to decadency and deterioration. It is possible that the history of Babylon and Rome is repeating itself in the United States of America, but other history teaches that evil tendencies can be forestalled. In the garden of Eden, Adam and Eve were safe in overwhelming luxury. If the garden of Eden could have been modernized, Adam would doubtless have been a purchaser of paintings, painted hundreds of years after the painter had died, and a credit nabob traveling the world over in search of mineral waters advertised to cure rheumatism and gout. He would have doubtless been rather more or less skilled in playing bridge whist and a liberal patron of every uplift fad. He would have been a standpat politician until he had learned the political game well enough to be a professional reformer. When Adam and Eve became decadent the Lord commanded them to get out of the garden of Eden and dig or die. They dug. And in digging recovered their physical, mental and moral vigor. And it is the history of the garden of Eden and not the history of Babylon and Rome that gives the precedence in economic destiny.

There are hoboes at the top and bottom of society, as society is usually classified, and it is the hobo problem that civilization must solve or suffer the penalty of decadence and dissolution.

The idle rich are being busied by the income tax, but the idle poor are yet a problem. In the early stages of civilization where a wolf comes and goes in haphazard fashion it is easier to keep the idle rich and the idle poor in palaces and almshouses than it is to provide them with work, but as civilization crystallizes the economic shoe begins to pinch.

What to do with the idle poor is a question that the world has not yet solved. Various schemes have been devised but none of them have yet worked, but it does not follow that they never will. In these days of airships and submarines, difficulties are no longer difficult.

Charitable schemes have thus far done very little except to make poverty a vocation and the relief of poverty another vocation, both parasites, and I am told the sixth great financial industry of our country.

There is something that must be done. Now, the ideal condition would be one where every adult man and woman must be in one of three places: At work, in some hospital or in some jail. There would then be no charity as the word is loosely applied, no panhandling, and a great condition would be overcome.

And I wish somebody would figure what it would cost to do that. As Mr. Robinson quoted from Daniel Defoe, to furnish work for the unemployed is not a solution of the problem. That is on the presumption that the work is competitive. If it is not competitive there is no objection to it except the objection of cost, and what it would cost to bring that condition is something worthy of investigation. It is not a problem for the sentimentalist, it is not a problem for the agitator, but it is a problem for the accountant, who judges all things and all men on the basis of the balance sheet. But this idea of furnishing public employment is not new, we have been doing it for years and are doing it now. We will put in the public service men, from ambassadors to tax collectors, for the purpose of giving somebody a job, and not for the purpose of getting the most work for the price paid, and the amazing thing about that is the comparative efficiency of this class of men; it gives us hope in hobo humanity and courage to try to work out some problem.

Mr. Robinson referred to Tammany Hall starting as a benevolent society and now the largest employment agency on the face of the earth. They get jobs for at least a hundred thousand people in New York that would otherwise be a menace to that city; and I am not so sure that instead of being the devil-devised organization, it is better than thousands of others that claim some uplift purpose. These things are worth thinking about. Now, I don't know enough to solve this question. If I did, I would be running for President of the United States and Wilson and Hughes and all of you would be supporting me. But the point I am making is these are things to think about, they have got to be done. This question between capital and labor has to be solved and can't be solved by the annihilation of one of them. They have got to get together, and I don't see how they ever got so far apart.

The original idea of the corporation, for example, was where the king gave certain rights to his subjects to do something he could not do, for the benefit of the sovereign rather than the subjects. Our corporations have gotten away from that and they ought to get back, and there is no reason why they should not. Our greatest railroad today is practically socialistic in the division of its thousands of stockholders. The great Steel Corporation is getting more and more so every day, and it is perhaps through the hated corporations we are going to get a degree of individual representation that the socialist dreams of.

These are only ideas, but what can you gentlemen do with them? The great movements in the history of the world have come from the conflagration of some idea. There is the idea which inspired the Exodus from Egypt. There is the idea—it is the conflagration of ideas which has brought about every great religious and political reform in the history of the world, and perhaps you can sur-



round the idea of thrift with a fascination that will bring to that common point all classes of people, as people in the warring nations, the aristocrat, the noble and the poor, rally around the flag of their country. What you want is some rallying point, some slogan, and if you can

get all classes of society in this country to rally around the idea of thrift, if you can get the American people to think thrift, to talk thrift, and to act thrift, perhaps you have got the avenue that will start more than anything else our country on the way to the millenium.

## *“Centennial Campaign for Thrift”*

BY VICTOR A. LERSNER, Comptroller of the Williamsburgh Savings Bank, Brooklyn, N. Y.

MR. PRESIDENT and GENTLEMEN:

The origin of this Savings Bank Centennial dates back to the Convention held at New Orleans in 1911, when general approval was given to the plan for such a celebration in 1916.

At each successive convention thereafter the subject was considered with increasing interest, and last year at Seattle the plan was ready for definite treatment, a Committee being appointed to care for the interesting and appropriate celebration of the Centennial Anniversary of American Savings Banks.

The gladly accepted task for this Committee was how to fittingly mark the occasion.

Rather than confine it to a Centennial Celebration of whatever proportion it was deemed wise to give it a background of substantial activity.

A nation-wide Thrift Movement to reach every section of the country was considered the most becoming in form and prospect.

The object of those who planned the first institution for savings in this country was the amelioration of the condition of the poor and the inculcation of the principles of thrift in the mind of the public, making for better citizens and promoting greater efficiency.

The result of this first century of campaigning reveals the savings in all of the banks of the country to total some \$8,500,000.00 and it became the ambition of this Committee to conduct a movement for thrift which would be in measure with the vastness of this sum and the importance of the institutions holding it.

Our first efforts were directed to securing the co-operation of several organizations through which we could effectively conduct propaganda.

The American Institute of Banking, with its seventy chapters, was early enlisted, the International Committee of the Young Men's Christian Association, the National Board of the Young Women's Christian Association, the National Americanization Committee of Immigrants in America, and the Chamber of Commerce of the United States responded to appeal.

It required vast correspondence to perfect such an organization. The task, while huge, was necessary for the foundation work of the great movement which has grown into such real importance.

In December, 1915, the Committee compiled a text book entitled “Thrift—How to Teach It, How to Encourage It,” and of the 6,000 printed copies, all but a few have been distributed to those bodies requesting them.

The value of the publication was instantly perceived in the hundreds of inquiries from communities asking for further information concerning a local campaign.

An idea of the interest developed is shown in the fact that more than 104,000 pieces of mail were sent out from the Section's office for the fiscal year of 1916.

The results accomplished by Chapters of the Institute are especially pleasing, particularly has this been true of Chattanooga, New York, Atlanta, Dallas, Macon, Ga., Baltimore, Jacksonville, New Orleans, Los Angeles, Spokane, San Francisco, Albany, Minneapolis and Denver.

The example at Chattanooga is worth particular notice. Here a very complete and efficiently conducted campaign was instituted resulting in an immediate gain of 23 per cent. in new savings accounts and of 70 per cent. over the record of the previous year.

The Chattanooga Chapter organized the “Chattanooga Association for the Promotion of Thrift and the Spirit of Conservation” among their people, and is distinguished for a number of suggestions which were gladly incorporated in the nation-wide campaign of the Association.

To all these helpful factors this Committee offers its acknowledgment for their considerable co-operation, and particularly to the National Committee of the Young Men's Christian Association, for this body has been a host in disseminating the value of our principles through the medium of Thrift Exhibits and lectures as well as addresses in every nook where audiences could be secured.

No limit of praise is due the Young Women's Christian Association for their wide circulation of valuable direction to their 400,000 members, for the cultivation of thrift in the home is conceivable of large importance.

The immigrant, so generally ignorant of American ideals and customs is being taught the real value of our savings institutions through the National Americanization Committee.

Possibly the best of all, the youth of our country are being brought into the influence of thrift habits. The broad growth of school savings banks and their undoubted extension is certain to make for lasting good for the coming generation.

The commendable efforts of the Curtis Publishing Company to encourage the boy to acquire a savings bank account is well worthy of mention.

These combined factors could work a wealth of influence in their different spheres, but to carry through a real nation-wide campaign, one which would be truly in proportion to such a title, it was all essential that we secure some organized body, equipped for carrying on such work for concerted action from the greatest number of points must be had. Desire had to be supplemented with well developed organizations. A movement both new and nation-wide required a vast and powerful machinery.

Lacking funds, facilities, and familiarity to cope with these needs the Committee sought the co-operation of a thoroughly reliable and expert bank publicity company, and in co-operation with them constructed a plan for a thrift campaign.

The product of our joint efforts seems capable of doing that for which it was designed, i. e., to reach the individual and impressively impel him to save and conserve.

It is proposed to serve 2,000 communities throughout the United States in conducting a Thrift Campaign either under this particular form or some other.

Our duty seemed to be one of suggestion and constructive advice. Our earnestness was to create a great unified thrift action which would direct the public mind away from waste and extravagance and to thrift and conservation.

The country needed such a movement and very much continues to need it. The success that has even now attended the plan gratifyingly attests to the sense of our conclusions.

The fact was all too obvious that upon the humblest as well as the highest rested the future progress of this country.

The stability of our economic and social life rests in the main on the spirit of independence in the individual member through the practice of thrift.

To definitely change public thought from extravagance to frugality is possible in two ways.

Adversity is an unfailing medium, but all too summary to accept, if avoidable.

Education resulting from a nation-wide thrift campaign could be quite as efficacious, but it must have for its sole aim something more than the mere harvesting into banks of dimes and dollars, however much this result is to be desired.

Rather should it seek to acquaint the people with the real potential purchasing power of money. To spend it wisely by getting the most for it; to make it earn more for them—but everlastingly avoid the lure of the swindler; preaching the principle of sound investment, or what to do with their precious funds after saving them.

Summarized, it is to have our people gain a mastery of their wills and give direction to their purposes; to kindle new ambitions in our hundred million citizens; to cultivate a closer intimacy between public and banker, supply our youth through our education systems with improved means of approaching their life work; to instill new ideals of thrift in the home, a money sense in the future burden bearers of business; to forestall the dire

circumstances of old age from lives unguardedly spent; to furnish constant impulse and inspiration to all classes; to have all thrift in time, energy and material, and not the least of these develop a broader vision in the banker of his duty to the public and need of his more generous spirit and action in gratuitous public service.

In a word, to help people find themselves. To make thrift a popular individual habit and a national trait. In spite of the natural difficulties and arduous work of blazing new trails, our Committees sees bright prospects of thrift in this Nation.

Optimism must flow from the zeal and enthusiasm which has been so far realized, and surely augers well for the new century of savings banks in the United States, which in turn spells prosperity for all banks.

The Centennial celebration at this Convention which is intended as a climax to the campaign was proposed at Seattle last year and planned for New York City.

Due to a very successful celebration and savings bank centenary in that City during May of this year under the direction of the New York State Savings Banks Association it was thought well to bring this celebration to this City during the American Bankers' Association Convention.

Such plans as have been conceived to make the celebration appropriate to the occasion have been the result of most splendid co-operation, under the direction of Mr. W. S. Webb, from the bankers of this beautiful city, whose hospitality we meet so constantly and abundantly, and to them we very much desire to express our deep appreciation.

In closing, the Committee feels called upon to confess its sense of honor in having the supervision of the campaign and arranging for this celebration of American Savings Banks.

## Postal Savings

BY CARTER B. KEENE, Director of Postal Savings, Washington, D. C.

Gentlemen of the Savings Bank Section of the American Bankers Association:

Let me say at the outset that I count it a signal honor to participate in the exercises of today, and my appreciation of the honor has increased as the importance and meaning of this centennial of savings has grown upon me. I have watched with interest the campaign of thrift that the Savings Bank Section has conducted during the past year. No period of our national life could be more opportune for such a campaign than these days of peace and plenty. No propaganda could have been more ingeniously contrived, more effectively conducted or more fittingly climaxed. Postal savings has felt the force and inspiration of your efforts, and I trust we have done something in our appointed field in advancing the great crusade you have carried on. We were glad when your secretary, Mr. Harrison, invited us to join with you. Government and private savings agencies must necessarily run in the same general direction, and they need not cross or collide. It is infinitely better for both that they continue on terms of cordial co-operation. The plan of salvation is broad enough for the brightest and darkest places in all the world; for every race, every creed; the banks are the churches of savings, postal savings is the "Salvation Army" of thrift. As Admiral Schley said at Santiago when others were vainly contending over honors, "There's glory enough for us all."

When I discussed postal savings before the American Bankers Association at Boston three years ago, I was

a mere novice in my work, and therefore compelled to rely largely upon the experiences and conclusions of those who had been identified with the service from its inception. How well I remember calling my chiefs about me to get stuffed with facts and figures for the gruelling ordeal I foresaw if the minutes of earlier conventions portended my probable fate. But the warmth of your welcome and the candor of your discussions soon dispelled my apprehension, and I went away with the cheerful assurance that there would never be any controversy or conflict between Government and private savings institutions. Three years have passed, memorable years, trying years, and in all this time we, in postal savings, have tried to look above and below the balance sheet out into the wider field. I am particularly glad of this opportunity to tell you gentlemen what postal savings has done, and what I, speaking for myself alone, believe should be its future course.

The Postal Savings System has been in full operation a little over five years. The glamour of novelty has worn off, and it has had time to settle into a well-defined field of activity. We can now look backward and forward with a large degree of assurance. Of course, it would be easy to contract or expand that field, but contraction would abridge the reasonable expectations of the public, and expansion—I do not mean growth—might lead to unwarranted invasion of the domain of private enterprise. The range of postal savings activity will never suit everybody. We are constantly receiving complaints that we have not gone far enough, others



charge that we have gone too far. Some want the Government to do almost everything, others want the Government to do almost nothing. But it seems to me there is a golden mean. I do not believe the Government has a right to compete with private activities, if those activities be adequate, nor do I believe that the Government should shrink from any urgent nation-wide undertaking when it alone has the power and agencies to make the enterprise a success.

Many prominent men in banking circles conscientiously opposed the establishment of a Postal Savings System in the United States. They regarded it a dangerous and unjustified departure from our national policy. But I believe, in the light of five years' experience, that their objections and apprehensions have been largely overcome and dissipated. I feel sure the verdict today is almost unanimous that postal savings has filled a neglected niche in our social and economic systems which this country could no longer afford to ignore. America was one of the last of the great nations to adopt postal savings. Spain, Portugal and the Argentine Republic have since fallen in line, so today practically every large nation in the world has a Postal Savings System. Germany, which still adheres to a wonderfully successful system of Government supervised municipal savings banks, is the one conspicuous exception.

While the deposits in this country are still small when contrasted with the enormous savings in private institutions, or when compared with deposits in some of the foreign postal savings banks, still we get a glimpse of the important part our service is destined to play in fiscal affairs when we consider that the postal bank of England has a billion in deposits, the accumulation of sixty-five years. Yet the growth of the American postal savings bank in the first five years of its history was more than double that of the British bank in the like period.

Another encouraging feature develops in the constantly increasing average postal savings account. On July 1, 1913, it was \$102; three years later it was \$143, far exceeding that of any other nation of the old world. Japan, with the largest number of individual depositors—more than 13,000,000—has an average account of only \$7.81.

On July 1, 1913, when Postmaster General Burleson effected a reorganization in the practice and personnel of our System, the deposits amounted to \$34,000,000, standing to the credit of 331,000 depositors. Today we have approximately \$100,000,000 on deposit, owned by 625,000 depositors. What has brought this gratifying result? War, publicity, prosperity and liberalizing legislation. Growth was steady and healthy until August, 1914, when the European war utterly demoralized business and made the highways of the sea uncertain and hazardous. Our net receipts quadrupled in that month. Gradual decline in abnormal gains followed as the nation caught its breath and business and international communication improved. January, 1915, found deposits again normal, and we began to feel the rising tide of prosperity. Demand for labor increased; wages soared. Postal savings deposits kept step with the industrial march.

We in charge of the Postal Savings System saw early the importance of bringing the service to the attention of hundreds of thousands who never heard of it and stood in urgent need of its facilities. Our publicity has been widespread and persistent, but it has been our constant purpose to so direct it as not to discredit or weaken private savings institutions. We do not want a dollar any solvent bank can get. We have reached out after the hidden savings of those who will patronize our institution and no other. But in all our search for tarnished coin and fusty currency we have been scrupulously careful not to press our publicity at a time and place where it might aggravate disturbed local conditions.

We are proud of the record our service has made in deposits and in the number of depositors, but we take infinitely more satisfaction in the sources of the money we are getting than in the amount of it; in the type of our depositors than in the number of them. While we have endeavored to increase our business through proper channels, we have kept in full view the important fact that the Postal Savings System is a Government institution for the promotion of the general welfare and that it would be an unpardonable abuse of power were we to swell our figures at the expense of legitimate private savings institutions. The United States is concerned alike in the welfare of the depositor in a private institution and in the timid foreigner who hides his savings in mother earth. We have not rejected deposits brought to the post office in time of local financial stress and in isolated instances our receipts have temporarily been increased. But the point I desire to emphasize is, that we have not taken advantage of these unfortunate instances to exploit postal savings. We are entitled to and claim no credit for this attitude, for it would be almost criminal to knowingly contribute to public alarm at a time when the savings of thousands in local institutions might be jeopardized.

Our publicity has been along two lines—the insertion in newspapers and periodicals of news items dealing with the growth of the system, and the distribution through the post offices of general information on the service in English and twenty-three foreign languages. You bankers know full well that the desire to economize and save will never be spontaneous. Saving is an acquired and cultivated habit. Upon you and upon us rests a large duty in the promotion of that habit; and the crowning triumph of your thrift campaign lies in the forceful assault it has made on improvidence and waste, an awakening that will be felt of its own velocity in years to come. But it would be unfortunate indeed if this great public service were to end to-day. Let it be the beginning and not the end of concerted action. Postal savings would continue to increase if not another word were spoken or printed about it, but there are still thousands in our country who ought to be reached and brought within its advantages, and they can be reached only by persistent publicity. For us to falter in this direction would be palpable neglect of duty.

When I came to the Postal Savings System in 1913, legislation was pending looking to the acceptance of \$1,000 from a depositor which would be interest-bearing and the acceptance of any amount in excess of \$1,000 on which no interest would be paid. Strong opposition against the proposed statutory change developed at Boston and was further pressed before the committees of Congress by your representatives, Mr. Knox of New York, Mr. Robinson of Baltimore, and Mr. Saul of Washington. The fate of the bill is well known to you. I am particularly pleased, however, to commend the fairness and frankness with which these gentlemen conducted their work, and I attribute to them large credit for the era of good feeling now existing between Government and private savings institutions.

On May 18th last, a bill was approved by President Wilson which has greatly enlarged the usefulness and possibilities of postal savings. It is a safe and satisfactory Act, and I am pleased to add that the report of your committee on postal savings legislation, at Seattle last year, was friendly to the law under which we are now operating. It is a serious matter to change established postal savings legislation, and no step should be taken in that direction without the most careful and unselfish thought. I believe that the new law meets the reasonable requirements of the Post Office Department and the public, and will continue to do so for years to come, if not indefinitely. As you know, a depositor may now have \$1,000 to his credit upon which interest will be paid, and the Board of Trustees has discretionary power to

accept an additional \$1,000, which shall be non-interest-bearing. The \$100 monthly limitation is abolished. The interest-bearing increase was put into effect at the signing of the bill, but the Board of Trustees has not thus far accepted the non-interest-bearing accounts.

That the old stifling restriction on deposits kept millions in hiding is shown by comparison of the gains in deposits in the first three months under the new law with the gains in the corresponding months of last year. The net gain in June, 1915, in round numbers, was \$1,000,000; this June it was \$3,800,000. July, 1915, showed a gain of \$350,000 (not taking into account \$365,500 withdrawn by depositors for purchase of postal savings bonds); this July it was \$3,700,000, despite withdrawals of \$900,000 for bond purchases. August, 1915, netted \$1,600,000, August just passed, \$5,000,000—by far the largest increase in the history of postal savings and surpassing the phenomenal increase of August, 1914 (the first month of the war), by nearly a million. Another interesting feature of the enormous inflow of savings during the past three months is the fact that a very large per cent of the increase has come from old depositors, who eagerly seized upon the long deferred opportunity of increasing their accounts.

You will recall that prior to the installation of the Federal Reserve System in 1914, any bank under national or state supervision was eligible to receive postal savings deposits if it qualified to accept them. The Federal Reserve Act limited depositories to member banks only. This resulted in the elimination of hundreds of state banks. In many instances it was necessary to send funds long distances to places where eligible banks were located. This worked embarrassment in the expeditious and safe administration of the service, and at the same time defeated the dominant thought that controlled the framers of the organic Postals Savings Act, that the deposits brought out of hiding should be released for commercial purposes in the identical localities where they originated. The new law meets and solves these difficulties by giving preference to member banks, but in the event there be no local bank or it fails to become a depository, then a state institution may qualify for the funds. Thus a preference rightfully belonging to member banks is accorded without disturbing the sound principle that the funds should be distributed in channels of trade where they are brought to light. Hundreds of state banks formerly dormant are now active depositories for postal savings.

I am not going to burden you with detailed statistics on postal savings. This is a day for felicitation rather than a day for figures. It is enough to say in passing that every state in the Union showed remarkable gains during the last fiscal year except four, and the decreases there were trivial and due to easily discerned local causes. Seventeen states, New York, Pennsylvania, Illinois, Ohio, Massachusetts, California, Michigan, New Jersey, Missouri, Washington, Minnesota, Connecticut, Wisconsin, Colorado, Oregon, Indiana and Montana, hold 90 per cent of all the deposits. Ten cities, New York, Brooklyn, Chicago, Boston, Detroit, Pittsburgh, San

Francisco, Philadelphia, Portland and Milwaukee, have each more than a million dollars on deposit. Pittsburgh, Philadelphia and Milwaukee were the last to join the million dollar class.

Post offices in Greater New York today hold over one-quarter of the total deposits. More than \$90,000,000, brought from insecure and unprofitable hiding places, are now on deposit with the 5,600 depository banks, and these funds are secured by bonds of a face value of \$125,000,000.

The most striking and gratifying story of postal savings is disclosed in the fact that 375,000, or 60 per cent of the total number of depositors, were born outside of the United States, and that this provident army owns \$75,000,000, or three-quarters of all the deposits. How much these mute figures mean! What a tribute of confidence the foreign-born have paid to the nation of their choice and adoption.

In discussing postal savings here I would fail in fair dealing if I did not remind you that back of all our efforts to develop the service along sound lines; back of all our endeavors to better the conditions of our depositors, especially those born under another flag; and back of all our efforts to deal equitably with National and States banks, has been the guiding genius of a great Missourian, born within 75 miles of this place—Governor A. M. Dockery, Third Assistant Postmaster General, and in direct supervision of the Postal Savings System, as well as the other great fiscal affairs of the Post Office Department. Happy is a service that can enlist a man so ripe in executive and congressional experience and so responsive to the sane requirements of the high and the lowly. I speak of him here in no thought of adding to the affectionate regard in which he is held by his native state, but I speak of him that his unstinted generosity towards his co-workers may not obscure his own achievements in the service that I am now representing.

The story of postal savings when told in figures is a simple one. But if you want to see the real service that it is, go into the post offices in industrial and mining centers and witness the patient line of barefoot children, toiling women and begrimed laborers as they entrust their humble savings to Uncle Sam. Then come with me to the Post Office Department and delve into the confiding letters that report better and happier lives.

Time and again I have used the pronoun "we" in the economy of time rather than attempt to enumerate the Departmental officials who are concerned in postal savings. Wonderfully potent, too, has been the activity of postmasters throughout the country. They have caught up the true spirit, and new burdens are new pleasures. But the pronoun "we" in a still wider sense includes you gentlemen and every other American citizen. The success of our service is your success. We are all stockholders, and our dividends are no less certain, no less valuable because they come in a higher standard of citizenship among the thousands and thousands who can trace their first real forward step to a savings deposit.



## *Institutions for Savings.*

By WM. E. KNOX, Comptroller, Bowery Savings Bank, New York.

The Savings Banks have reached a point in their history where they may pause for a moment to cast a backward look over the past with its record of splendid achievement, and to contemplate with honest pride their present condition. But there are problems to be faced in the future upon the solution of which the continued welfare of the Savings Banks depends. It is time that we gave some thought to the future stability of our railroad investments. As trustees for ten million depositors for whom we hold eight hundred millions of railroad bonds, it is not only our right but our duty to see that the railroads receive just and fair treatment at the hands of those whom we have delegated to make and enforce the laws for us.

And it might be just as well to impress it upon the law makers and executives that, before passing any law or taking any action that shall affect the interests of the people (of whom the Savings Bank depositors are a very considerable part) it is their duty to consult all the parties interested.

I would suggest to the convention that the Savings Banks, being interested parties, should ask, through the Federal Legislative Committee of the American Bankers' Association, for a hearing before the passage of any laws which may in any way have a bearing on the value of railroad securities. This is our plain duty and a duty we should not shirk.

Recent developments involving action by the President and Congress of the United States force us to the conclusion that the most serious problem confronting the railroad to-day is that of regulation. In common with every other business they have to deal with many economic

issues. They alone, however, have to contend with a most bewildering and confusing (I had almost said system), only it is a lack of system of control, exercised by forty-eight States and one Federal authority. From Congress and from the legislation of all these states comes each year an ever increasing number of laws affecting railroads. Dealing not only with matters of general regulation, but in particular relating to matters of railroad operation, the effect of this legislation is to make difficult the task of experienced railroad executives upon whose discretion and judgment reliance must be placed, and to add tremendously to the cost of railroad operation and maintenance. To comply with the various state decrees in 1914, railroads operating more than 204,000 miles were compelled to spend the equivalent of a 5% dividend on \$574,000,000. This sum would have paid one year's interest at 3½% on the \$800,000,000 bonds held by the Savings Banks.

It would seem that the rational way and the only way to end the evils of the existing system of regulation is to substitute a Federal system of supervision, for the varying, conflicting and inconsistent rule of forty-eight uncoordinated states. To serve the needs of the country, to strengthen railroad credit, and to attract to the railroads much needed capital, we must substitute a rational businesslike and comprehensive system of Federal regulation to replace the present sectional and burdensome rule.

In the task of securing this consummation devoutly to be wished, the Savings Banks of the country, through the Savings Bank Section of the American Bankers' Association, should have a part.

## *The Business of Getting New Savings Accounts*

By E. G. McWILLIAM, Manager, Department of Publicity and New Business, Security Trust & Savings Bank, Los Angeles, Cal.

*Mr. President, Members and Guests of the Savings Bank Section:*

It is impossible for me to express in words my very deep appreciation of the honor you have conferred by inviting me to appear before you today. I look back upon the three years during which it was my privilege to serve you as the most pleasant years of my business experience, and I shall always be proud of the fact that I had some little part in beginning that great work which, under the splendid direction of Mr. Harrison during the past year, has found its culmination in the Centennial Celebration which you have held here. I can only say that if anything which has come within my experience, or any service which I can render will be of value to you, individually or collectively, it is yours for the asking.

### TWO PROPOSITIONS.

In order that neither of us will be disappointed, I desire to lay down two propositions before beginning this discussion. First, that I do not expect any one here to agree with all that I say,—and second, that I am not here to tell you the most efficient method of getting new savings accounts in your respective communities.

The first will become self-evident as I proceed. The second is prompted by my firm belief, after close observation, that the same methods are not equally efficient everywhere, and that after all is said and done, while it is imperative that we keep ourselves informed as to methods employed elsewhere, no one is in a better position to judge of their efficiency in your particular towns than you yourselves, with your intimate knowledge of the local conditions under which you operate and of your own organizations.

### SYNDICATED ADVERTISING.

In this connection I am continually amazed at the amount of so-called syndicated advertising matter which is purchased by bankers. This matter is generally prepared in some large center without reference to the local conditions of any particular community, and is offered as being equally effective for the large city bank or the small country bank. And bankers continue to "fall for it"—to use a slang expression.

I contend that a man in New York, Boston or Chicago, without an intimate knowledge of local conditions, cannot write effective advertising for San Francisco, Denver, Kansas City, or rural communities, any more

than a man located in the latter places can do so for the former. Of course, syndicated matter has proven a boon to small banks in many localities where it happened to fit, and it will prove a boon in many others if the authors will but divide the country into zones, study the general conditions under which banks operate in each zone and prepare advertising especially for such banks, instead of taking advantage of bankers' lack of time to devote to such matters by selling them something wholly inappropriate.

Bankers who continue to purchase such matter without careful analysis seem to me to present as fine an illustration of "the triumph of hope over experience" as did the man who married his seventh wife.

#### MUST MAKE IT A BUSINESS.

I am very glad that our Secretary stated the subject of my talk as he did. To be successful in getting new savings accounts we *must* make a business of it. And I believe both the mutual and the stock savings banks should enter heartily into the business. The mutual banks because they were organized solely for the purpose of promoting thrift, and the stock banks because of a duty to their stockholders in addition to the moral obligation they have assumed as savings banks to promote thrift.

#### MUTUAL BANKS AND ADVERTISING.

Right here my first proposition becomes evident, for I know that many of my mutual banker friends feel that they have no right to spend any of their depositors' money for anything which savors of advertising, further than the law requires.

However, in my own mind I have always felt, as some one has expressed it, that mutual savings banks perform a function second only to that of the church, and as churches do not hesitate to advertise in order to aid them in saving souls, it seems to me that mutual banks quite as consistently might advertise to aid them in saving people from the evils of improvidence, so long as such advertising is confined to a reasonable amount.

Naturally, this matter must be approached from different angles by mutual and stock banks. Competition, as the word is generally understood, should have no place among mutual banks. Their publicity efforts should be purely educational, while, as I have suggested, it is the duty of stock banks to attract depositors to those banks in addition to educating the public in thrift.

#### THE PROBLEM.

There is always a temptation to drift into platitudes when speaking of inducing people to become savers. However, we are today considering the matter as a business, and as such it presents a problem which has occupied all of my days and part of many nights since leaving your office in New York. During that period I have had every conceivable advertising plan presented to me, varying from a needle-book to the offer of an enterprising theatrical man to perform certain stunts on the corner of our roof for the purpose of attracting a crowd; and it may be that some of our deductions in the light of practical experience will prove interesting, if not especially profitable to you.

Almost in every locality the problem must be approached differently. The large city bank has its special problem, the small country bank has its problem, and the bank in between still another,—each complicated by conditions peculiar to each individual bank.

However, while each bank has its individual problem, there are some general principles upon which all may proceed and some mediums which sooner or later are tried by many, if not all, with varying success, according to the degree of intelligence with which they are used.

#### A COMMON STARTING POINT.

Whether banks be large or small, city or country, there is one point where all must begin if they are to be successful in getting new savings accounts, or any other kind, and that point lies within the bank.

A teller or a cashier with a grouch will waste a whole year's advertising appropriation. What does it avail if you advertise that the man with a dollar is as welcome as the man with a thousand, if the man with the dollar finds that it is not so? Every teller or other person who comes in contact with the public should be made to feel that he is an important member of the new business department. He is in a position through his daily contact with your customers to offer valuable suggestions and should be encouraged to do so. Above all, he and every other member of your force should be impressed with the fact that the success of the bank depends fundamentally upon its *service*, and if you have a man who is not enthusiastic in that service, he should be encouraged to hunt another job speedily.

Being satisfied that your service is in condition to back up all you may say about it, your next problem is how to tell the public about it and to awake in them a desire to save money and to save it in your particular bank.

#### VALUE OF A SPECIAL DEPARTMENT.

Thus it will be observed that the problem divides itself naturally into two parts—the first being what may be termed "internal publicity" and the second, "external publicity," and banks throughout the country of sufficient size to warrant it, are more and more coming to realize the advantages in maintaining a special department for the handling of their publicity problems.

Again my first proposition becomes evident, for I know that many bank officers, even in large banks, feel that a publicity department is a luxury without practical value. However, in the development of internal co-operation alone such a department may be worth many times what it costs, and some time I hope to have an opportunity to discuss that feature at length. Again, in the intelligent direction of publicity expenditures such a department may effect large economies, as well as in the preparation of copy for newspapers, booklets, etc., which at the same time may be given a distinctiveness and a local atmosphere impossible to get in any other way. Also, such a department may save what it costs in the time it saves officers of the bank by relieving them of numerous interviews with solicitors and salesmen, and last, but not least, such a department may be a decided asset as a developer of good will. If the vast army of advertising salesmen which besiege a large bank, particularly, are received courteously, given all the time necessary to a proper explanation of their propositions, and if not accepted given good reasons why, I have yet to see one of them who did not appreciate such treatment and would boost for your bank whether he did business with it or not.

So that, unquestionably, the first step in entering upon the general business of getting new savings accounts should be to place the matter in the hands of a department or, if the bank is not large enough for that, in the hands of an officer who should be relieved of other duties sufficiently to permit him to give the problem careful study. Whether such a man should be a bank-man or an advertising-man is a much discussed question, bankmen and advertising-men naturally taking opposite sides, but in my opinion the bank publicity man should be a student of both banking *and* people, in order to be able to get a point of contact with the public and tell it the things it wants to know about banking.

#### WANTED BY FEW.

We must always bear in mind, however, that what we have to offer is really wanted by very few of those who



have not already got it, and that in the last analysis it is only by appealing to the selfish instincts of people either by holding out the hope of a comfortable old age, the ownership of a home, the possession of future luxuries, etc., coupled with the higher ambition to provide for those who may be left after death or for the education of children, that we may hope to offset the tremendous inducements to spend which are offered on every side.

We must also bear in mind that the value of our advertising in any medium depends upon three things; namely, the number of people it reaches; whether it is read; and whether it makes an impression. We must also remember that the best advertising medium in the world will be rendered valueless to us if our story is not presented therein in an attractive manner.

#### THE MEDIUMS TO USE.

As a medium for reaching the public with our story we naturally turn to the newspapers, and so great an advertiser as John Wanamaker is recently quoted as saying that "the only advertising of direct and instant benefit to both merchant and customer is in the daily newspaper of known circulation. All other is vanity and vexation of spirit." However, while unquestionably the newspaper will always maintain its prestige as an advertising medium, there are many other products of printers' ink in which millions of dollars are spent for advertising each year, and through the courtesy of the Pacific Railways Advertising Company I am enabled to give you, not my opinion or other people's opinions, but the actual facts as to where people see the most advertising, stated by the people themselves in nine important cities of the United States. This has been obtained through straw votes which were conducted by firms of the highest standing and, in some instances, by advertisers themselves.

For instance, in Chicago the vote was conducted by the Audit Company of New York; in Cincinnati by an advertiser, the Schulze Baking Company; in Pittsburgh by another advertiser, the S. Hamilton Company, Pianos; in Minneapolis by Touche Niven & Company, Public Accountants; in Washington by an advertiser, G. G. Cornwell & Son, Grocers; in Milwaukee by Marwick-Mitchell-Peat & Company, Public Accountants; in Kansas City again by the Schulze Baking Company; in Los Angeles by Price, Waterhouse & Company, Public Accountants; and in San Francisco by Klink-Bean & Company, Public Accountants.

In every city but one a communication was sent to a list of men and women selected at random from the telephone book, requesting them to indicate upon a return postcard in which of the following mediums they noticed advertising most frequently, namely,—billboards, electric light signs, magazines, newspapers, painted signboards, signs painted on buildings, street cars and theatre programs. In Pittsburgh the results were obtained by personal solicitation of a representative of the S. Hamilton Company. The number of letters sent out by the others varied,—as many as ten thousand being sent out in Chicago.

The results of these votes are as follows:

#### TEST VOTE IN CHICAGO

Made by the Audit Company of  
New York, N. Y.

	per cent.
For Street Cars.....	33.27
Newspapers .....	23.19
Magazines .....	17.24
Electric Light Signs.....	13.79
Bill Boards .....	6.73
Painted Sign Boards.....	3.36
Signs Painted on Buildings	1.64
Theatre Programs.....	.78

#### TEST VOTE IN CINCINNATI

Made by Schulze Baking Co.

	per cent.
For Street Cars.....	28.9
Newspapers .....	22.7

Magazines .....	13.8
Bill Boards .....	11.1
Electric Light Signs.....	10.2
Painted Sign Boards.....	6.5
Signs Painted on Buildings	4.6
Theatre Programs.....	2.2

#### TEST VOTE IN PITTSBURGH

Made by the S. Hamilton Company, Pianos

	per cent.
For Street Cars.....	34.
Magazines .....	23.4
Newspapers .....	21.6
Bill Boards .....	7.1
Electric Light Signs.....	5.9
Theatre Programs.....	4.2
Painted Sign Boards.....	2.9
Signs Painted on Buildings	.5

#### TEST VOTE IN MINNEAPOLIS

Made by Touche, Niven & Co.,  
Public Accountants

	per cent.
For Newspapers .....	35.27
Street Cars .....	25.73
Magazines .....	19.56
Bill Boards .....	8.14
Electric Light Signs.....	6.89
Painted Sign Boards.....	3.17
Signs Painted on Buildings	.68
Theatre Programs .....	.56

#### TEST VOTE IN WASHINGTON

Made by G. G. Cornwell & Son,  
Grocers

	per cent.
For Newspapers.....	30.37
Street Cars.....	29.50
Magazines .....	25.16
Electric Light Signs.....	10.19
Bill Boards.....	2.39
Theatre Programs.....	.87
Signs Painted on Buildings	.87
Painted Sign Boards.....	.65

#### TEST VOTE IN MILWAUKEE

Made by Marwick-Mitchell-Peat  
& Co., Public Accountants

	per cent.
For Street Cars.....	30.49
Newspapers .....	29.11
Magazines .....	16.83
Electric Light Signs.....	11.59
Bill Boards.....	6.76
Painted Sign Boards.....	2.89
Signs Painted on Buildings	1.65
Theatre Programs.....	.68

#### TEST VOTE IN KANSAS CITY

Made by Schulze Baking Company

	per cent.
For Street Cars.....	22.2
Newspapers .....	20.4
Electric Signs.....	16.8
Bill Boards.....	13.9
Painted Sign Boards.....	8.2
Signs on Buildings.....	6.4
Theatre Programs.....	6.1
Magazines .....	6.

#### TEST VOTE IN LOS ANGELES

Made by Price-Waterhouse & Co.,  
Chartered Accountants

	per cent.
For Newspapers.....	37.86
Street Cars.....	23.88
Magazines .....	13.87
Electric Light Signs.....	11.50
Bill Boards.....	8.12
Painted Sign Boards.....	3.27
Signs Painted on Buildings	.90
Theatre Programs.....	.60

#### TEST VOTE IN SAN FRANCISCO

Made by Klink, Bean & Company,  
Certified Accountants

	per cent.
For Street Cars.....	30.54
Newspapers .....	26.90
Magazines .....	12.77
Bill Boards.....	14.43
Electric Light Signs.....	8.93
Painted Sign Boards.....	3.43
Theatre Programs.....	1.45
Signs Painted on Buildings	1.45

It will be noticed that in almost every instance, while their order varies, the first three mediums selected are the same and that with one exception nine cities are unanimous in their choice of the first two, five actually agreeing as to first and second choice. Hence, with the results of these votes before them, advertisers by a simple process of elimination in the light of local conditions should be able to make a pretty close decision as to the most effective mediums to use in their particular cities.

Time will not permit of it, and with these results before us an analysis of each of the mediums hardly seems necessary. The votes speak for themselves and prove conclusively that the two most effective mediums for reaching the public are newspapers and street cars. However, even in view of the fact that six of the nine cities place street cars first, I believe that neither street cars nor newspapers should be used by banks to the exclusion of either, but that banks should both at some time, the one supplementing the other. Again I would remind you, though, that our judgment must be governed by local conditions, although the banker located in a town where there are both street cars and newspapers and who desires to place his bank before the public most effectively, may be sure that in using both of those mediums he is doing so; and the banker located in a town where there are no street cars may spend his money for display advertising in the newspapers with the assurance that he is spending it where it will do the most good.

#### SOLICITORS.

In addition to display advertising there are many direct efforts in the getting of new savings accounts which bankers are induced to make, either by clever salesmen or through their own study of the public they serve, and some of these efforts have proven very effective, although again we must consider our individual problem carefully before attempting any of them. There is one of these efforts, however, which in my own mind I have never been able to reconcile with the ethics of banking, and that is the employment of solicitors for savings accounts.

It is human nature for a solicitor, no matter how high a type he may be, in order to get the accounts upon which his living depends, to sooner or later, even though unintentionally, say something derogatory to some other bank, and I believe that no reputable banker cares to be placed in that position. On the other hand, I believe thinking people will look askance at any bank which

sends men after their small savings and offers a premium for them.

#### LETTERS AND LISTS.

Letters to selected lists are used by banks in some localities with great success, especially by banks in small communities, where a close personal touch is possible and the element of duplication may more readily be eliminated. No list should be used by any bank until it has been checked back with the depositors' list, for sending a letter soliciting business from one with whom you are already doing business is an unpardonable error. In banks having many thousands of depositors this involves a labor which makes such an effort almost prohibitive.

I believe that for large banks, located in large cities and having a number of departments, the most economical and effective list which can be used is that of its own customers who are not patronizing the savings department. Such a list, which I understand is used by a number of banks besides ours, is what I call an inter-department list and may be kept on cards having tabs indicating in which departments the customer is now doing business. Through daily reports of closed and new business from each department the new business department is enabled to keep such a list up to date and by the use of metal tabs is enabled to measure results. Of course a certain amount of business in every department will come from your customers automatically; but it has been demonstrated that this effort is prolific of results, and in any bank, a person who is already interested in one department is the most natural prospect for business in some other department.

#### HOUSE ORGANS.

Another direct effort of especial value to banks located in comparatively small or rural communities is an attractive monthly house organ which is distinctly local in its composition. However when a bank acquires more than a certain number of depositors the use of a house organ as a developer of co-operation among depositors becomes prohibitive because of the cost, and its use is restricted to developing new business among a certain class or for certain departments.

#### BANKING BY MAIL.

Banking by mail is a development of recent years and where confined to a bank's logical territory may be profitably engaged in. However, after some investigation I am convinced that in view of the long and expensive educational campaign necessary and the possibility of antagonizing banks in other cities, to enter into banking by mail nationally for the purpose of getting new savings accounts is unwise for most banks.

#### NOVELTIES.

Much money is wasted by banks in novelties. Most novelties remind me of the remark of the Irish janitor of a bank I was with for many years. The old fellow was pouring ink from a bottle with a patent stopper. The ink came very slowly and after fruitless attempts to improve the flow he said: "Faith and there's more ingenuity than utility to that dom thing. It's like the curl in a pig's tail." And so it is with many novelties.

The value of any novelty lies in its ability to create good will for your bank. This in turn depends upon the choice of the novelty and its distribution. In small banks novelties may be used to advantage but in large banks, where many thousands of an article would go to the banks' savings depositors before reaching outsiders, such efforts are apt to prove extravagances and should be used solely for the development of commercial business in connection with selected lists.

#### HOME AND POCKET BANKS

There are, however, two very effective novelties for the development of new savings accounts, although they are

generally considered more as part of a bank's equipment than novelties. I refer to the various forms of home savings banks and the small pocket banks for dimes and other coins. Many a child has been started on a successful career through the home savings bank given it at Christmas, and these banks furnish an excellent follow-up medium.

The pocket banks appeal to all classes and ages and whether brought into the bank or not, are an effective advertisement wherever shown. They also furnish one of the very few mediums to which a bank may trace direct results.

#### WINDOWS.

Many banks are overlooking the tremendous value their windows possess as an advertising medium. Through the display of home or pocket banks with appropriate reading matter, or the display of bonds (mortgages, money or pictures, it is possible to, in a measure, give to a bank that value from its windows which the merchant gets from his, without in any degree lessening the dignity of the bank, and banks are rapidly coming to a realization of this fact.

#### GOOD WILL.

There is one thing which apparently is overlooked by many banks in the business of getting new savings accounts and that is the value of good will, especially in cities where competition is most keen.

Frequently we are all solicited for advertising in various publications of church societies, fraternal societies, labor organizations, etc., and our first impulse may be to turn them all down as possessing little or no advertising value. However, if for instance by giving a woman three dollars for an advertisement in the cook book of the Ladies Aid Society of the Squeedunk Methodist Church you can develop the good will of a hundred women, it is money well spent and organizations such as I have mentioned appreciate that kind of co-operation and talk about it. I believe every advertising appropriation should contain an item for good will advertising and the keener the competition, the larger should be the item.

#### APPROPRIATION.

I have frequently been asked by banks in various localities what percentage of their earnings should be appropriated for advertising, and to all I have given the same answer—that no definite percentage can be established. Each bank must first determine what it desires to accomplish. It must then decide upon the best means for accomplishing that end in the light of competition and other local conditions. It must then decide whether or not the accomplishment of the desired end would justify the expenditure the means selected requires. If in his judgment the expenditure would be justified by such a result the banker may then "go to it" and trust in the Lord for the result. Advertising appropriations of banks cannot be made by rule.

#### FIGURING THE RESULT.

However, in figuring your result at the end of the year it may be found that you have accomplished what you set out to do and yet the net result is disappointing. For instance if you set out to bring ten thousand new people into your bank during the year and you open that number of brand new accounts, yet your net gain for the year is but one thousand, don't blame your advertising. It has accomplished what you wanted it to do. The fault lies elsewhere. All advertising can do for merchant or bank is to bring the customers in. It is then up to "Service" to hold them.

It must also be borne in mind that a large bank with a great number of depositors cannot be expected to grow in the same rapid proportion that a small bank does. The natural law of growth applies to banks as to other things in this world.



## CARELESSNESS OF BANKERS.

I have read that upwards of fifty millions of dollars a year are spent in financial advertising, and I'll venture to say that if the majority of bankers made their loans as carelessly as they spend money for advertising, their banks would speedily be in the hands of receivers. However, I am inclined to believe that it is better for them to advertise even as they do rather than not at all, for certainly nothing is accomplishing more toward a closer co-operation between the public and the banks than advertising.

## THE FALLACY OF DIRECT RETURNS.

How often though we meet the banker who still does not believe that advertising is worth while because he cannot trace direct returns and believes that his own customers would send him just as much business if he did not advertise.

In "Printer's Ink" of July 13th appeared an editorial upon the "Fallacy of Direct Returns," which I wish all such bankers could read. This editorial concluded as follows: "Direct, traceable returns are still looked upon in many quarters as the one conclusive test of the value of advertising"—"We are advertised by our loving friends" was a grand good slogan because its friends were never allowed to forget it. A satisfied customer is the best advertisement only so long as he stays satisfied and bears the product in mind. Oftentimes there is no greater service advertising can do than to keep the friendly spirit alive in those who already know the merits of the goods."

## ADVERTISING PSYCHOLOGICAL.

So it is in banking. The effect of advertising is psychological. Probably not one depositor in a hundred will admit that he has come to you because of your advertising. As a matter of fact he may not know it, but it may be so just the same. For instance, what prompts us to ask for a certain brand of collar or garter when we go into a store to purchase such articles? And so it

is with depositors' efforts in our behalf. As a rule depositors are not going out of their way to solicit business for us. If friends ask them what bank is a good bank to do business with and our service has been satisfactory, naturally we are recommended. On the other hand depositors like to be identified with a bank which by its advertising indicates that it is a progressive and going institution and undoubtedly through the reminder of continued advertising, in many instances a recommendation will be volunteered before it is asked for.

## CONCLUSION.

I have tried in this little talk to deal with some of the practical phases of the business of getting new savings accounts as they have come within my experience—not with the idea of presenting anything new upon the subject, but rather in an endeavor to give some information and to offer some suggestions which might be of assistance to those who have not had time to give this subject the study it deserves; and I would like to close with a little story: Two ball teams composed of colored boys from rival towns in the South, were to play a game upon a certain afternoon, and the colored boy who worked in the Sheriff's office in one of the towns asked to get off to play. The request was granted, and the boy left at noon of the eventful day as the game began at two o'clock. Along about five o'clock the Sheriff drove out to see how the game stood, and seeing his boy out in the center field, called to him and said, "Mose, who's winnin'?"

"I dunno, Massa John, I dunno!" replied Mose.

"What do you mean you don't know," said the Sheriff, "how many runs have the other side got?"

"Thirty-six, Massa John," replied Mose.

"Well, how many have you got?" asked the Sheriff.

"Well, Massa John," said Mose, "you see we all haven't been to the bat yet."

And so my closing word is just one of advice to the banks who do not advertise, and that is to "go to the bat."

## *Vitalizing Dormant Savings Accounts*

BY HARVEY A. BLODGETT, President, Harvey Blodgett Company, St. Paul.

The question of re-vitalizing dormant savings accounts is one of profound significance to our nation. It touches more than the matter of clerical labor or of bank ledgers. It concerns more than bank profits. It reaches down through the destinies of millions of human beings who are shut out of their Eden because their aspirations, once alive, have been smothered.

It is of great moment to our nation because we are heading fast toward conditions for which we will be woefully unprepared unless the dormant energies of our people are vitalized, and individual efficiency becomes a national watchword.

Every inactive savings account is latent energy going to waste. One need only witness the wonders that savings accounts have worked in countless lives in order to imagine the potent possibilities which lie abeyant, in countless others.

It is a matter which calls for constructive thought and vigorous action. There will never be a readjustment of conditions while the owner of the dormant savings account is left to work out this own salvation, unaided, uninspired.

In assuming its proper place at the head of a nationwide movement to encourage thrift the American Bankers Association has begun a constructive work which

will have a fathomless influence on the nation, little realized I believe, as yet, even by its own membership.

Not only will this movement, auspiciously begun in commemoration of the centennial of savings banks mark the beginning of a million or more new savings accounts, but, what is of greater importance, it will put the breath of new life into more millions now lying dormant.

I said a moment ago that this is a question which calls for constructive thinking. If it were proper for me to remark upon the methods which many banks employed in acquiring new savings accounts I would be tempted to hint at a lack of constructive thought, of proper consideration of cause and effect, in their effort to put new savings business on their ledgers.

Before we can determine on the best means of re-vitalizing dormant accounts we must attempt to discover what causes them. We will come to a better understanding of the matter if we study the mental processes of the individual which induce him to open a savings account and then leave it stranded for lack of incentives to keep it growing.

Some human beings are creatures of impulse. Others are creatures of habit. There you have the dividing line between your active and inactive savings accounts.

A new savings account is witness of the birth of a

new aspiration. New aspirations are very ephemeral things. They must be nurtured carefully lest they die in infancy. A healthy savings account is a grown-up aspiration and it's a long, hard struggle from birth to sturdy maturity.

Now, in developing your savings business you bankers have employed various and multifarious methods of kindling human aspirations, but in too many instances the fire has flickered out, like the flame that splutters on the end of a match and burns out before the wood ignites.

Here is a young person whose heart responds to a suggestion, received from any one of numberless sources, that the future will hold much more for him if he becomes a regular money saver. He sees visions and dreams dreams. He hies him to the receiving window and comes into the possession of a bank book, perhaps his first one. He expects that bank account to do much for him but he isn't, as yet, aroused to the need of doing much for the bank account. His ideas are altogether vague as to *what* he must overcome or how to overcome in order to make that new bank account a success. His plan of saving is unorganized. Perhaps his whole plan of life is unorganized.

The bank's advertisement in the newspaper had promised him that when he "opens an account, if only with a dollar," he will be on the high road to fortune. But as he deposits his second dollar, and perhaps his third, he begins to realize that he has not arrived, and that the way to his cherished hope looms long and dreary before him. And so he succumbs. The bank which invited his account offered him no encouragement and he isn't as yet strong enough to fight the battle alone.

Here is another who is approached by a solicitor with a nice, shiny auxiliary bank in his hand. The solicitor must see many people today and is in a hurry. A cut and dried talk on saving issues forth. The little bank and a dollar change hands, and the solicitor hurries back to headquarters to collect his \$2 commission. The new savings depositor comes back to earth, and thinks that he is an incipient capitalist. But instead of having had his footsteps firmly set toward high goals, he has been merely taken off his feet. Of such is the kingdom of quiescent money savers.

And still this person is an excellent prospect, fit to go on the bank's mailing list. He has, at least, identified himself with a bank. The work of making him a depositor worth while has begun, but alack, in most banks it ends right there.

Let us examine some savings ledgers and throw light on a few other incentives which prompted the opening of large numbers of now dormant savings accounts.

In doing so perhaps we can discover what chloroformed the laudable impulses under the spell of which they were opened.

We notice that a large number of these somnolent savers appear to have made their debut about a certain date. We go farther and discover that, under the spell of the oratory of a skillful salesman, the bank bought a quantity of premiums—never mind whether they were flags, cameras, safety razors or jack knives—and these were offered as inducements to open savings accounts.

The bank became, for a time, a purveyor of merchandise.

The appeal to the public in this exploit was a certain tangible reward NOW for opening a savings account. It made a hit because, ordinarily, it takes time for a savings account to yield its reward, and if there is anything that appeals to mortals a little more than anything else it is getting paid in advance for being good.

But it is hard to conceive how a serious-minded banker can reason that a savings account induced under such circumstances can have back of it sufficient stamina to make it valuable. Perhaps he reasons that, after mak-

ing one deposit the subject will like the bank so well that he will keep coming. Or perhaps he trusts vaguely that the bauble which is offered will suggest other worldly prizes that a seriously maintained savings account will bestow.

Whatever the solution, herein lies the source of many, too many, dormant savings accounts.

It might be well to go farther and examine the public utterances of banks calculated to secure new savings accounts. Will we not find that they lack real inspiration, and that they dwell too much on the opening of accounts and too little on building on them after the start has been made?

Do not too many bankers take it for granted that the Alpha and Omega of developing a savings business is the securing of first dollar deposit?

And have not banks been prone to invoke which will introduce accounts in wholesale numbers by methods which are not intensive, and occasionally border on the sensational?

Bankers have an inherent dread of stampedes when they portend the withdrawal of many accounts, simultaneously, but some lend themselves willingly to methods which are designed to bring new accounts in with such alacrity as to savor of a stampede, and in consequence, secure many with skin-deep purposes.

I trust that it has not seemed as if I had trespassed too much upon the matter and the manner of *getting* new savings depositors, assigned to another. But if we are to attack the problem of re-vitalizing dormant savings accounts, the logical place at which to begin is at their inception.

And so we conclude that the reason bank ledgers contain such a large proportion of dormant savings accounts is that large numbers of accounts are started upon a fleeting fancy. Those which succeed are the survival of the fittest.

An officer of a large city bank told me not long ago that his institution has over thirty-five thousand savings accounts. I asked him what was being done to develop them. "Not a blessed thing," he replied.

And yet that bank has a commercial department, a trust department, an investment department and a safe deposit department, each seeking the business of people who have become possessed of more or less means and who were graduated from the savings department of some bank.

Nor is this an isolated case. It is the rule, rather than the exception for banks to overlook the possibilities which lie in their savings accounts, after they are opened, and to permit many of them, through inattention, to die a natural death.

One of the foibles of present banking methods is a disinclination to make sufficiently serious effort to develop business already on the books. This applies to the commercial department as well. Every bank is entertaining many angels unawares. The great opportunity for cultivating the potential possibilities of depositors begins when accounts are opened, but in too many banks manifestations of interest end at that crucial point.

I have known many bankers to manifest a willingness, nay, an eagerness to pay a fee of \$2 or even \$3 for bringing in a new savings account, and then gasp at the idea of spending a few cents a head for cultivating that account so dearly bought.

A savings account is an out-and-out expense to the bank until its owner becomes thoroughly imbued with the thrift habit.

A bank's greatest opportunity for development lies in the accounts it has already opened, rather than in those it is going to get.

To develop a savings depositor into a good one costs but a fraction of what it does to get him on the books in the first place.

Why a banker will beat around like all possessed to



secure new accounts from a lot of people who have never taken the trouble to look him up, and utterly neglect those who have picked him out as their banker, who have come in and hung up their things, so to speak, is a matter that remains unexplained.

And the banker knows from his own experiments, that large numbers of his new depositors will turn around and walk right out again unless he does something to make their saving effort interesting and to help turn their impulses into life ambition.

The education and the inspiration of the savings depositor should begin, not end with the opening of his account. That is the moment when he stands at the threshold of his new world. He should be encouraged onward.

Consider those active, growing savings accounts of yours. There are many that have doubled, trebled, multiplied in a short space of time. Now ask yourself what would be the result if a large proportion of your dormant accounts were stimulated into similar activity.

This brings us directly to the question of *how* to do it, without answering which there would be little excuse for taking your time.

Obviously the name of a depositor who has indicated his choice of your bank, even though his account is dormant, is a better prospect than the name of one who has no account at all, who doesn't even know where your bank is, or may be already a depositor with some other bank.

The attitude of the banker toward the accounts on his books should be the same as that of the enterprising merchant who assiduously cultivates the business of customers he has already won.

Inasmuch as the owner of the dormant account has ceased to come to the bank, the bank must go to him. On the method of the approach hangs the fate of its success.

It is a golden maxim to cultivate the *people* and the amounts which they deposit will take care of themselves.

Every depositor is entitled to receive some form of encouraging suggestion from his bank at frequent intervals. This will renew the interest of those whose zeal has begun to lag and will keep those whose accounts are active from falling from grace.

The work that lies ahead is to rekindle slumbering aspirations and to demonstrate the value of the savings account.

The bank's publicity methods should be overhauled. There is something wanting in them if there are an undue number of dormant accounts on the ledgers.

The newspaper publicity should be looked to first. If it is a continuous appeal for making that illusive "first dollar" deposit, the policy should be changed at once. It isn't the start that makes the goal, and if *consistent* saving is made more attractive in bank publicity it will help more people to form the saving habit.

While many incline to the view that the aim of newspaper advertising is to secure new accounts, I feel sure that good publicity has an excellent effect on present depositors and, if rightly considered, does much to encourage the growth of their accounts.

I am constrained to believe that too much stress is put upon the necessity of saving for old age as a motive for maintaining a savings account. One cannot overstate the need of this kind of forehandedness, but ordinary folks are more concerned in what saving will do for them right now.

Few people in the full flush of youth are given to worrying about old age, but everyone is interested in what he may gain today and tomorrow.

While it costs from two dollars upward to secure a new savings account, which at its inception is of unknown value, a series of subsequent approaches at monthly intervals would cost but from three to five cents each. Surely if it is good business to spend a consid-

erable sum to induce the opening of an account, it would be worth while to spend a little more to cultivate it.

It is clearly evident that such attentions will do more to fix the saving habit than did the first one which suggested the opening of the account.

These approaches, of whatever nature chosen, should be clear expositions of the value of a savings account in carving one's future. This is a theme of a thousand variations.

All we need to do in order to make one's savings account attractive to him is to imbue him with the simple truth about it.

There are so many simple truths about the advantages of a savings account over other methods that it would require a series of approaches in order to present them all in orderly and convincing fashion.

There are many routes to affluence—short and perilous and slow and sure. Few people get rich by merely saving, but anyone will be kept poor by spending all he gets.

Many people "arrive" by saving and investing, and they become the better investors as they become better savers.

The best way to re-vitalize a dormant savings account is to keep its owner's enthusiasm at high pitch. There are many things about a savings account that everyone doesn't realize.

The savings account pays compound interest, while bonds, mortgages and stocks pay simple interest. People can't add dividends, if they get them, to the face of a stock certificate, nor interest to the face of a bond. And so the savings account is a necessity even to the investor in securities, if he is to get compound interest on his investment.

But interest is automatically added to the savings account, even in small, odd amounts and thus it excels, in the long run, many forms of accumulation which on their face pay larger interest returns.

And we might go on and say an endless number of interesting things which would increase the depositor's attachment to his bank pass book. Exhortation will not arouse the interest that pure salesmanship will, and after all, good bank publicity is nothing if not good salesmanship.

One great drawback to this procedure in these flush times is the banker's own attitude. When the bank overflows with money and the outlet is insufficient, he hesitates at incurring the cost of cultivating the business he already has. He is often unwilling to lay out money for results timed far ahead. And yet he knows that it is a long stretch from seedtime to harvest.

One need not overwork his imagination to realize on how much better a footing any depositor will come with his chosen bank, if he receives frequent attentions from it. He came to the bank a stranger. He has recurring evidences that his bank is interested in his success. He also receives suggestions which spur him onward. He has tenders of the bank's counsel in his financial affairs. He begins to realize that a bank is more than a place to merely deposit small coin. His relations become established, and he is on the way to the fullest co-operation with his bank. There is little prospect of his account becoming dormant if he is encouraged and shown how to make the most of it.

While continuing their quest of new accounts, banks should greatly increase their effort to develop accounts already opened. I believe fully half the advertising appropriation should be expended on the intensive cultivation of business from within. Certainly such a course would increase profits and intensify results from publicity.

Trace the mighty stream to its source and you find little rivers, brooklets and springs. Trace any fortune to its source and you find the patient industry of the money saver. If the America of the future is to fulfill its

promise the little streams of wealth must not be allowed to lose themselves, and their sources dry up.

What you bankers need now, and always will, is to tap the little springs at their sources and encourage their flow into the larger channels from which the mighty stream comes forth.

No one will say that this country does not need to conserve its sources of wealth right now. It would be the height of folly to await the need before providing for it. Every argument which has been advanced for national preparedness is a vital one for stimulating into activity every savings account in the land.

## *The Advantage of Personal and Collateral Loans in Providing Sufficient Liquidity for Savings Bank Investments*

By FREDERIC B. WASHBURN, Treasurer of the Worcester Five Cents Savings Bank, Worcester, Mass.

*Mr. President, Members of the Savings Bank Section of the American Bankers' Association, and Guests:*

We are gathered here from far separated sections of this great country of ours to exchange ideas regarding the conduct of savings organizations.

Conditions differ, so in the many sections of the country that, of necessity, such organizations develop along varying lines. Even in single sections where the "savings idea" has been most highly developed you find different types of organizations and effort.

The northeastern section of the United States, being older than most other sections, began first to provide machinery by which the individuals as units could pool their savings and obtain the services of men more or less trained in finance to invest for them. It is with that section of the country that I am most familiar and Massachusetts in particular, so my paper will treat with conditions as they exist in my home state.

Without doubt, all of you know that our first savings organizations were mutual and the Mutual Savings Banks of the old Bay State have made a record of which any institutions may well be proud.

Of late years our Trust Companies and National Banks have established very lively savings departments and have, in many localities, become serious competitors of the mutual banks.

Perhaps, however, I had better immediately avoid that subject and proceed with the particular topic allotted to me. It is often as dangerous to mention the development of Savings Departments in National Banks and Trust Companies to a Massachusetts Mutual Savings Bank man as to wave a red flag in a bull's face.

I have been asked by our very efficient secretary, Mr. Harrison, to speak to you regarding

"The Advantage of Personal and Collateral Loans in Providing Sufficient Liquidity for Savings Bank Investments."

The laws of most states permit savings banks to invest in such loans, though some, notably New York state, do not. In Massachusetts, we may invest not over one-third of our deposits and income in loans so designated and more particularly described as—

1. Loans to three or more individuals.
2. Loans to Corporations with one substantial surety;
3. Loans to Massachusetts Public Service Corporations;
4. Loans to Railroad Corporations;
5. Loans secured by Miscellaneous collateral.

Loans in these classes are considerably safe-guarded by restrictions; for instance,—loans can only be made to Corporations under Class 2 whose books are audited by a Certified Public Accountant. His report, not over eighteen months old, on a form prescribed by the Bank Commissioner, must be filed whenever such a note is

taken. Only notes of Public Service Corporations, meeting certain dividend requirements and doing a gross business of not less than \$100,000 per annum are legal to purchase, etc.

The Mutual Savings Banks of all states are permitted to buy certain bonds more or less select and invest in notes secured by first mortgage of real estate.

Now what are the advantages of loans on personal security over other forms of investment? No one will argue that they are more sure of ultimate payment than municipal and railroad bonds legal to purchase or notes secured by mortgage of real estate, though I will, later, consider at more length the question of their safety.

Their particular value is that every such loan must mature within twelve (12) months. That permits you to invest a substantial percentage of your deposits to mature at regular or especially selected intervals.

For instance, a bank having deposits of \$10,000,000.00 and a personal loan of \$1,500,000.00 can arrange such loans to mature \$125,000.00 each month or \$750,000.00 at each dividend period. A very tidy sum to be assured of having in hand for any moderate emergency. You have established a reserve of inestimable value, a secondary cash reserve.

The above advantage is dependable only when you have made your loans to individuals or corporations of such financial strength that they can meet their obligations at maturity whether general financial conditions be fair or foul.

There is, ordinarily, a little advantage in this class of investment from the rate standpoint, as compared with bond investments, though not much of late as shown by the record in Massachusetts. The following from the report of the Bank Commissioner shows the rates obtained by the Combined Savings Bank of Massachusetts as of October 31st, 1915; the net column is an estimate with the tax off:

	Average Rate.	Net Rate— Tax Off.
Loans on Real Estate.....	4.91	4.91
Bonds, Securities, etc.*.....	4.31	4.
Loans on Personal Security.....	4.72	4.22

The discussion of this subject requires a careful survey of certain functions of a savings bank and its obligations:

First—Are its liabilities sufficiently "demand" to require the carrying of a substantial amount of liquid assets in addition to its cash balance in vault or banks?

Second—How much latitude should be allowed a board of investment in selecting the investments?

It might be well to recite that our Mutual Savings Banks may receive on deposit from any person not more

\* Perhaps one-third tax exempt.



than one thousand dollars; and may allow interest upon such deposits, and upon the interest accumulated thereon, until the principal, with the accrued interest, amounts to two thousand dollars; and thereafter upon no greater amount than two thousand dollars, so no individual demand for payment can be of sufficient size to cause serious anxiety.

While savings banks can demand sixty or ninety days' notice of intent to withdraw deposits, as a matter of fact, however, every officer plans to so conduct the affairs of his institution that he will never have to invoke for his protection such a clause.

Every well managed bank, therefore, carries either a very substantial cash balance which, of course, is earning only nominal interest, if any, or arranges to have frequent, early bond maturities, or, in Massachusetts, a good-sized loan on personal security.

One, and usually two, of the three above plans is essential and universally practised.

While loans secured by mortgage of real estate are an excellent investment and our best revenue producers, no one would think of claiming they were quick assets.

In times of fair weather, it is true that if a "run" occurs on any single bank or a single community is adversely effected and withdrawals excessive, that bank or banks in that community can either borrow from some large commercial institution or sell some of their bond investments.

In my experience, however, those occasions have not been the most frequent and trying. It is when the whole country is disturbed and nervous; when panicky conditions exist in most communities, including the big centers. Then, if you have failed to provide early bond maturities and you have an abnormal demand on account of withdrawals, unless you have a well selected personal loan, you may be embarrassed to say the least.

Perhaps you believe that our new "Federal Reserve System" will entirely protect us in the future and no more panics occur. I hope that will be true. However, most banks will not entirely rely on a new and more or less untried organization.

It is true you can always sell high grade bonds at a price, but usually the price in times of financial disturbance is considerably less than the cost value, and it hurts to have to sell at such a period; hurts the bank officer's pride and more particularly his Profit and Loss Account.

I believe that the officers of most savings banks endeavor to manage their investments so that they can meet on demand not only all ordinary request for payments, but all extraordinary ones.

That being so, are loans on personal security efficient for that purpose and are they a sufficiently safe class of investment to permit the average board of investment of a savings bank to buy?

In my own personal experience, the institution of which I am Treasurer, has never been obliged during the last eleven years to sell a bond in any period of disturbance or to meet unusual withdrawals.

We have always had a sufficient amount of personal loans maturing so that by requiring the payment of a small proportion of such loans we have kept ourselves in funds to comfortably provide even for abnormal payments during our worst financial situations.

My experience is not exceptional; all of our savings banks whose officers have kept their personal loans "quick" by loaning only to the strongest borrowers and who have carefully planned their maturities have had the same success.

The satisfaction of seeing maturing loans paid in full just when you are most in need of funds is beyond words, particularly when the banks in your neighboring state are sacrificing thousands of dollars by selling high grade bonds at a heavy sacrifice. But they had to—they

needed the money and had no other way of raising it.

You may ask how can such borrowers pay during a period of severe financial stringency. The answer is that if you always insist on buying only notes signed by borrowers of particular strength, secured by the highest grade of listed collateral or notes of the strongest and best managed corporations, you will have no difficulty.

The temptation during easy money periods is to buy notes of the smaller and less solvent concerns, or loans secured by the "slower" collaterals in order to obtain the higher rates they offer. However, if you have had your "experience," you will waive the additional rate and buy only paper of the highest grade.

In Massachusetts the individuals or corporations who make it a practice to carry large loans with savings banks, if they are conservatively and wisely managed, often, in easy times, use their commercial banks little or none for borrowing purposes. They will, however, have previously established a line of credit with such banks which they may call for at any time. Now when the stringent period arrives, perhaps several of the savings banks feel the need of funds and ask to have loans paid that are ordinarily renewed at each maturity. Then the borrower goes to his regular commercial bank, knowing he may obtain the credit previously promised and so satisfies the call of the savings banks.

It was a practice of several large Boston Savings Banks, for years, to write this clause in their personal notes—"Should this Savings Bank require the sum loaned for the purpose of paying its depositors, this note shall, thereupon, become due and payable on demand."

I think that few or none now incorporate the above clause in their notes. That the banks could get borrowers to make notes with that proviso, is a pretty good indication of the desirability, from the borrower's standpoint, of establishing a line of credit with savings banks.

The banks rarely, if ever, took advantage of said clause and the borrower knew that having one placed his loan in a savings bank, barring accident, it could probably be renewed annually for years to come.

Now let us for a moment consider the question of opening up that field of investment to the average board of investment of a mutual savings bank.

Are such boards discriminating enough to trust with so broad a field of investment?

It has always been the practice for legislatures to limit the list of bonds from which savings banks may purchase, and many have thought their limitations excessive. In Massachusetts our laws were for years so conservative that investing boards were called upon to discriminate very little, as almost any bond legal to purchase was absolutely sound.

Recent events, perhaps, make that appear a little strong, but it is substantially true. Legislative bodies apparently took the attitude that many investing boards would not wisely discriminate in their selection of investments and so limited all boards for the protection of the more inexperienced or untrustworthy.

I personally believe that many of the officers and investing committees, particularly in the larger cities, would invest the deposits of their institutions more wisely and to better advantage if entirely unhampered by legislation, though such freedom from control would, of course, be impossible of practical consideration.

As a result of all this paternalism, you will find that many country savings bank officers assumed that if a bond was legal to purchase it was sound and investigation unnecessary.

Then again, no loan secured by mortgage of real estate could be made to an amount in excess of 60% of the estimated value—if on improved property, or 40% of the value if unimproved property. That law would appear to be sufficiently conservative. An easy going investing board or one particularly optimistic would

rarely slip in judgment far enough under this law to occasion many or very serious losses in this class of investment, particularly as re-appraisals are required at frequent intervals.

How then about allowing so wide a latitude in judgment as a law permitting loans on personal security?

The answer of those who advocate and believe in this class of investment is:

First—The value of such loans has been time and again proven in Massachusetts, particularly in unusual periods, as they have quickly filled up the empty cash drawer at no expense to the Profit and Loss Account.

Secondly—They are a far better income producer than short-time bonds and a bank must provide one or the other if efficiently managed.

While Massachusetts publishes no statistics from which we can determine the relative percentage of losses as between the various classes of investments, it is believed by good judges that the value of personal loans as a class of investment considerably outbalances the rather higher loss rate which I expect their class has shown.

Perhaps an absolute comparison of losses as between the classes of investments is an unfair way to prove their worth. We must remember that even now the market value of the bond investments of the Combined Savings Banks of the country is without doubt millions of dollars less than their value on a cost basis, though, doubtless, most of the bonds will be paid in full at maturity. That maturity, however, may be ten, thirty or fifty years hence. If you compare the losses taken in personal loans with the shrinkage in value of bonds below purchase basis, your personal loans will not come off a loser. This latter comparison is, of course, somewhat unfair, but not so much so as at first appears.

In Massachusetts the Bank Commissioner has power to direct a management relative to the collaterals it may receive. Such power is, of course, of no value if your Superintendent of Banks happens to be an unfortunate selection. If, however, he is a strong, able man, he can be of inestimable value to banks in the smaller communities who have not the opportunity to know the value of collaterals as well as the officers of larger city institutions, nor the gift of wise discrimination.

You will please remember that every such loan must mature within one year. If such investments were permitted for a longer period without greater restriction, I should believe them to be an unsafe class for investment for trust funds.

In the early days the country savings banks loaned considerable money on three named notes. It was believed that money accumulated by a community should be loaned whenever possible in the same community. I think we will all subscribe to that principal, but I believe no savings bank deposits should be invested except in such manner and in such securities as trust funds should be invested in. The ordinary three named notes of local business and professional men do not, in my opinion, come under that category. They should do their borrowing at commercial banks unless they can pledge suitable collateral.

We, in Massachusetts, who have had the opportunity to put the X-Ray on the Savings Banks—that is, study their operations from the vantage point of an examiner, know that they have made losses in such investments which should not have been made. In comfortable times when rates are low there is often little call from the borrowers for loans. Then is the time when the temptation to get the money invested has led banks to take loans which they would never have considered when the stronger loans could be bought. Those also are the times when they reach for better rates and take fourth rate paper for the additional income when their better judgment told them it was probably too risky.

However, in spite of these lapses, and I know from experience they are growing much more infrequent than

formerly, these loans, as a whole, have been an excellent investment for the Massachusetts Savings Banks.

The evolution of the Mutual Savings Bank in New England is a very interesting study. They began small—one here, one there in little communities, inconspicuous, but slowly developing. They helped the communities in many ways, teaching thrift, broadening out in an educational way by experience their trustees and returning to local circulation by way of mortgage loans, etc., quite a proportion of its deposits. They have now, most of them, grown, even those still in small communities, to considerable magnitude.

As you study this evolution, you note that a class of investment which was much in favor with one management, becomes quite unpopular with the next. It is to be expected that the later board, having the experience of the earlier board to assist them, should have improved ideas. It is amusing to find that personal loans in one period would be high in favor, then low in the next. Mortgages for years were only moderately popular and bonds the only things to buy. Why did they buy bonds? Because they thought a decade ago that the United States was working toward the European income rate. They argued that unless to-day you put all the money you can raise into long municipal or railroad 3½s at 115 to net 3.05, you will next year have to pay 125 for them and they will only net 2.75. However that bubble burst and most of us here can produce in our bank vaults at home some of the goods to prove it.

Mortgages are now the popular investment in many communities and bonds take second place.

Each Savings Bank officer, however, is having to decide what proportion of his deposits to invest in the various classes permissible.

That there should be a variation between the City bank and the Country bank in this particular is reasonable. The figures of the combined Savings Banks of Massachusetts are interesting and are as follows:

Percentage of Investments to Total Assets, October 31, 1915.

Bonds and Securities.....	32.91
Mortgage Loans.....	48.88
Personal Loans.....	14.52
Cash, etc.....	3.69

These figures are quite different from those shown in 1900. The percentage in bonds is a little less to-day; that in personal loans near 30% less and the percentage in mortgages correspondingly more.

Personally, I am a believer in mortgages as a Savings Bank investment and the fact that they carry the larger part of the burden of earning the dividends does not hurt them in my estimation. Conservatively made and frequently re-appraised, they are the best friend the depositors have.

Situated as my home institution is in a city of considerable size, having a large diversity of industry, I advocate investing about 60% of our deposits in carefully selected first mortgages of real estate. We earn on these about 4.98 per cent. tax free. As conditions exist to-day, I am content to invest 25% of our deposits in municipal, railroad and street railroad bonds. Of the balance, I would invest about 12% in carefully selected notes of the strongest borrowers and 3% cash and in banks. I believe those proportions make a well balanced group of assets.

Conditions, of course, vary in the several states and many communities without doubt do not have the opportunity to obtain in sufficient amounts such high grade notes as are available in Massachusetts. The demand from our banks for such paper has gradually increased and in turn the borrowers have appreciated the value of Savings Bank year loans, so the supply has usually kept fair pace with the demand.

Experience has taught the investing boards that they must use particular discretion when investing in this class of asset, and I believe that, as a whole, they have proven fully equal to the task.

I do not believe in such a class of investment, however, unless the officers, recognizing the particular value of its liquidity, confine their loans to borrowers of the strongest character.

In conclusion, gentlemen, I thoroughly believe that when conditions exist comparable to those in Massachusetts, and loans to borrowers so strong and sure of payment during all conditions can be obtained, savings institutions will find loans on personal security an exceedingly safe and useful asset, a secondary cash reserve of unequalled value.



# Committee and Officers' Reports—Savings Bank Section.

## Report of Savings Bank Centennial Committee

Mr. President and Gentlemen:

At the New Orleans convention in 1911 the Secretary's report contained mention of future plans with reference to "the proper celebration of the Savings Bank Centennial in 1916, for which due provision should be made." Each year thereafter the same matter was brought up. It was not until the Seattle convention last year, however, that this Committee was appointed for the interesting and no mean task of appropriately celebrating the anniversary of American savings banks.

A suggestion was made several years ago to gather material for a volume detailing the history of savings banks in the United States; but a mutual savings banker of Albany, New York, had undertaken the collection of data for such a purpose. To take advantage, therefore, of the suggestion would perhaps merely lead to a duplication of work.

How to fittingly mark the event was the problem. What would accomplish this object more effectively than the inauguration of a nationwide thrift movement which would reach every section of the country? One hundred years ago those who planned the first institution for savings had for their purpose the amelioration of the condition of the poor and the inculcation of the principle of thrift in the mind of the public, thereby making better citizens and promoting greater efficiency. After a century of campaigning the savings in the banks of the country total over \$8,500,000,000. Hence, it was the desire of this Committee to conduct a movement for thrift which would be at least commensurate with the vastness of the amount of savings in the United States and the importance of savings institutions.

One of the first things which was done was to secure the co-operation of several organizations through which we could effectively conduct propaganda. The American Institute of Banking, with its seventy Chapters, was enlisted. The International Committee of the Young Men's Christian Association, the National Board of the Young Women's Christian Association, the National Americanization Committee of Immigrants in America and the Chamber of Commerce of the United States came to our assistance. It took considerable correspondence to perfect such an organization. The task was big, but necessary for the foundation work of the great movement which has become of such importance. In December, 1915, your Committee compiled a text-book entitled, "Thrift—How to Teach It; How to Encourage It." Six thousand copies were printed and to date 5800 have been distributed to interested parties at their request.

From many hundreds of communities, both large and small, requests were received for advice and suggestions on how to conduct local thrift campaigns. The extent of this correspondence is evidenced by the fact that more than 104,000 pieces of mail were sent out from the Section's offices for the fiscal year 1916.

The results accomplished by the chapters of the Institute are highly gratifying. Particularly has this been true of Chattanooga, New York, Atlanta, Dallas, Macon, Baltimore, Jacksonville, New Orleans, Los Angeles, Spokane, San Francisco, Albany, Minneapolis and Denver.

For example, in Chattanooga a very complete and efficiently conducted campaign was instituted, the results of which were an immediate gain of 23 per cent. in new savings accounts and an advance of 70 per cent. over the record of the previous year. The Chapter organized the Chattanooga Association for the Promotion of Thrift, the purpose of which was "to promote the spirit of conservation among our people." Credit should be given to Messrs. A. W. Taber and T. R. Durham for their splendid efforts in this work. The Chattanooga campaign was responsible for a number of suggestions which were afterward incorporated in the Nation-wide Thrift Campaign of the Association.

In New York 110 new school savings banks were organized; several contests for the encouragement of thrift were conducted through the daily papers and more than 150 addresses on thrift were given by Chapter speakers. The excellent work accomplished in New York City undoubtedly produced splendid results. The report of the Thrift Committee of the American Institute of Banking details the work of each chapter in the conduct of the thrift campaign. Your Committee acknowledges with considerable appreciation the co-operation of the American Institute of Banking and the chapters thereof. The chapters are in a large measure responsible for the wide scope of influence which the movement has attained.

Another factor of considerable importance has been the International Committee, Young Men's Christian Association. About two years ago arrangements were made with the Y. M. C. A. for the construction of a thrift exhibit. Seven hundred and fifty dollars was appropriated from the Special Fund of the Savings Bank Section for this exhibit. The Y. M. C. A., meeting with success in the showing of the exhibit, constructed several others, thereby extending their work of thrift. Since the first of October, 1915, they have shown these exhibits in 144 cities throughout the country. Simultaneous with these exhibitions addresses on thrift were given in mills, factories, churches and on street corners. Literature was distributed and the people were taught the value of the savings habit.

Through the distribution of budgets and literature the Young Women's Christian Associations, with their 400,000 members, have learned much of the value of thrift. The field secretaries of the National Board, Y. W. C. A., report marked interest in the thrift campaign throughout the United States. This work amongst the women is assuredly important. There is no field which needs cultivation greater than the home, and this work of the Y. W. C. A. should be encouraged in every possible way.

The immigrant, not understanding American ideals and customs, is being taught to place his savings in our savings institutions, through the co-operation of the National Americanization Committee.

The boy is being encouraged to earn and to save, to become a decent

and reputable citizen by the efforts of the Curtis Publishing Company. It would be a rather difficult thing to gather statistics of the results of the Centennial Thrift Campaign. It is sufficient, however, that we are convinced of wide-spread interest in our work.

The success of any great movement depends largely upon the preliminary work, the foundation which is laid before the movement is definitely launched. Great care was observed in this respect in the inauguration of the nation-wide thrift movement instituted in celebration of the one hundredth anniversary of savings banking in America. The work done by the organization hereinbefore detailed had the effect of creating a demand for a concrete plan of action which would effectively reach every section of the United States.

In March of this year there was created an Advisory Thrift Commission with Myron T. Herrick as chairman. Some of the most important and influential citizens in the United States accepted membership.

There were no available funds, nor had we the organization for supplying the material for local campaigns. In order to obtain results and secure real action it was necessary for us to contract for the furnishing of literature and copy which would make up the plan of campaign. Effective thrift campaigning cannot be accomplished by fits and jerks, by spasmodic newspaper articles or occasional advertising. Interest and enthusiasm must be aroused, and when aroused must be maintained for an appreciable length of time. There must be well-written articles of an interesting and instructive nature in the press, discussion of ways and means and exchange of ideas. Thrift must be made the general topic of conversation. In the last analysis, it is only by directing the thought of the individual on ways and means to eliminate waste that individual conservation and saving is effected. Moreover, as the individual builds for himself a competence and a home, he is also building and strengthening his character, broadening his vision and contributing to the welfare of the community in which he lives.

The plan was for the local communities to finance a six months' campaign. That is to say, a meeting of bankers was called, the campaign explained and subscriptions to the proposition made for the conduct of the local movement. To do this it required much persistence. A number of bankers, thinking that it was a mere advertising scheme for savings accounts, would have nothing to do with it. One hundred and fifty cities and more were personally visited by representatives of the plan. It seemed as though this great amount of work would go for naught. However, after four months of such intensive effort, communicating regularly with upwards of twenty-five hundred bankers in over twenty-two hundred communities, finally brought real results and the immediate future of the campaign assuredly looks as though it would be truly nation-wide.

The Harvey Blodgett Company of St. Paul, Minn., were contracted with and in collaboration with this Committee the plan of campaign was completed. It is the product of the highest standard of publicity effort. It is well rounded and effective. The copy contained in the plan is strong in character and distinctive in quality. It gets to the individual and effectively induces him to save and conserve. It is our object to secure two thousand communities throughout the United States to conduct this campaign or some campaign of their own choice. It is our part to suggest and constructively advise. It is obvious that this cannot be accomplished without a definite plan of action, which, adopted by communities throughout the country, will be a great unified thrift movement which will obtain definite results and turn the mind of the public from waste and extravagance to thrift and conservation. If ever America needed a movement of this kind it does at this time. If there were not the demand for the nation-wide thrift campaign in the United States it is manifestly ridiculous to assume that the success which we have had would not have been attained. From the humblest in society to the millionaire it is realized that the future progress of this country, the character of its people, the stability of our economic and social life depends in the main upon the spirit of independence in the individual brought about through the practice of thrift. This is assuredly economic truth.

There are but two ways to effectively change the thought of a people from extravagance to thrift. First, adversity. The fundamental reason of French frugality which exists most in the peasant class is the result of adversity. From an investigation made by your Committee through consuls general in France and other countries of Europe establishes this fact. The second way is through a nation-wide or country-wide campaign of thrift education. This campaign must be definite, efficient, of sufficient length of time for the people to thoroughly understand it. And lastly, the avenues of approach to the public must be utilized continuously.

The nation-wide thrift campaign which your Committee has adopted "has very definite aims in view." Certain goals of accomplishment have been set, and clear-cut, direct, efficient and economical means have been developed for reaching them. The sole aim of the campaign is not the mere gathering into banks of pennies, dimes and dollars. One aim, it is true, is to attract to the nation's banks a million new savers and ten million better ones. To put renewed purpose behind those millions of accounts already started, too many of which are inactive. To acquaint people with the purchasing power of money. To show, by example and precept, how to handle money wisely—to encourage better habits with money. To encourage the people to get the most out of their money; how to make their money earn more money. Through education to make the get-rich-quick promoters' efforts barren of results. To teach the cardinal principles of sound investments—what to do with money after saving it. To help people gain a mastery of the will, give direction to their purposes, conserve their energies and follow the safest route to success. To stir new ambitions in a hundred million human breasts and kindle the fires of achievement. To bring the people on closer terms of intimacy with the banks. To supply, in a measure, what is sorely lack-

ing in our educational system that the youth of the land may approach their life work better grounded in the rudiments of finance. To establish new ideas of thrift in the home. To cultivate money sense in the potential, the future bearers of the burdens of business. To forestall in a great measure dire circumstances in the lives of millions who are trending their way toward their destinies. To help people who have a leaning toward thrift to make a life habit of it. To bring the prosperous into more intimate relationship with banks. To inspire owners of indifferently managed savings accounts with a new and lasting zeal. To increase buying power by adding interest income to personal earnings. To make the renter a home owner. To furnish constant impulses and inspirations, not to any class, but to all classes. To prompt those who are prospering to save against adversity. To teach people to conserve waste, to be saving of things that cost money as well as money itself; to be thrifty with time, energy and material—everything that enters into the daily life. In a word, to help people find themselves, to make thrift a habit with the individual and a national trait in America.

Although the work of your Committee has been difficult and the blazing of new trails an arduous task, nevertheless the bright prospects of a thrifty America have been ever before us. It has been pleasing to us to know that the zeal and enthusiasm with which all interested parties have worked means a fitting celebration of a great event and the eminently proper beginning of a second century of American savings banks.

At our instigation the Canadian Bankers Association have become interested in our plan of campaign and are now considering a dominion-wide thrift campaign based upon the movement inaugurated by us in this country.

In the plan proposed at the Seattle meeting a celebration was provided for to be held in the City of New York in November of this year. Last May the New York State Savings Banks Association independently conducted a successful celebration of the centennial in New York City, which was attended by bankers from all over the country. Your Committee considered it inadvisable to hold a second celebration at the same place. Hence, it was concluded to hold the celebration of the centennial at the time of the Kansas City convention. Plans were laid for appropriate commemorative exercises as well as an entertainment feature hereinafter referred to. Mr. W. S. Webb, cashier of the Missouri Savings Association Bank, kindly consented to act as chairman in arranging the details of the celebration in Kansas City. In this respect Mr. Webb has been very valuable and your Committee appreciates his splendid co-operation.

As an entertainment feature of the celebration it was planned to exhibit a five-reel motion picture, which was produced by the Vitagraph Company of America under the auspices of the Savings Bank Section. The Story "The Dollar and the Law" has been written by Irvin S. Cobb. The picture brings out the thrift idea very strongly; it contrasts economy with wastefulness—good and bad management of personal resources. It vividly tells the story of thrift in a manner which will convince one of the necessity for the practice of thrift. It describes in several scenes the operation of the nation-wide thrift campaign and shows the campaign in actual progress. The film will be given wide circulation and will certainly produce greater interest in the thrift movement.

In conclusion, we desire to give you some idea of the organization which has been effected through systematizing the thrift movement. General propaganda is conducted from headquarters in New York City. The institution and direction of local campaigns is handled entirely from the office of the section. All of the detail work is under the direction of the Secretary of the Section. Nothing is done with respect to the campaign without the Section's approval. The Harvey Blodgett Company has an office in New York, in the vicinity of the general offices of the Association, which is at the entire service of the Section for the promotion of the campaign. State-wide propaganda is conducted by a number of state associations through the secretaries thereof. It is hoped that before long every state bankers association will be enlisted in support of the movement. This work of state-wide campaigning is also under the direction of the Savings Bank Section.

Your Committee deeply appreciates being given the honor of arranging for the celebration of the centennial of American savings banks.

Respectfully submitted,  
V. A. LERSNER,  
Chairman.

### Report of the Secretary of Savings Bank Section

KANSAS CITY, MO., Sept. 26, 1916.

Mr. President and Gentlemen:

The Sections of the American Bankers Association are established for the purpose of rendering constructive service to its members in the various branches of banking. This fact has become increasingly evident in the work of the Savings Bank Section.

Throughout the past year we have been in constant touch with our 3,533 members—serving them in every possible way. Through the Nation-wide Thrift Campaign conducted by our Section, we have brought the name of the Savings Bank Section and of the American Bankers Association into most every city, town and village in the country. The people have heard more of the American Bankers Association than of any other like association. Through the propaganda literature which we have distributed, the bankers have been assisted to a better understanding of bank publicity; they have been encouraged to co-operate with each other, which they have found to be more profitable than bitter competition.

Nine hundred and thirty-nine new members have been enrolled since the Seattle meeting, twenty-seven more than the combined total number enrolled for 1913, 1914 and 1915. Over 104,000 pieces of mail matter have been sent out from our office, 92,000 of which were sealed letters; 5,050 letters have been received in the office of the Section since the Spring Meeting of the Executive Council, most of which have been requests for information from members, evidencing the wide scope of service rendered. To care for this amount of work and to facilitate its completion, systems have been installed which have been and are being carefully kept up to date.

Your Secretary has visited forty-three cities in the interest of the thrift movement and other work of the Section, and forty-four addresses have been given.

The past year's appropriation to the Section's work amounted to

\$13,888.25, inclusive of \$3,500 appropriated at the Spring Meeting and \$45.96 miscellaneous receipts. The expenditures for the year aggregate \$13,542.34, leaving a credit balance of \$391.87 in accordance with the attached statement.

The splendid co-operation received from the other Sections and departments of the Association, as well as General Secretary Farnsworth, is acknowledged with considerable appreciation, and the kindly relationship which has existed between the officers, members of the Executive Committee of the Section and your Secretary during the past year has been one long to be remembered.

Respectfully submitted,  
M. W. HARRISON,  
Secretary.

### FINANCIAL STATEMENT SAVINGS BANK SECTION

From August 15, 1915, to August 31, 1916, Inclusive

CREDITS	
September 9, 1915, by appropriation.....	\$10,388.25
May 9, 1916, by appropriation.....	3,500.00
Received refund a/c thrift propaganda.....	43.80
Received a/c express overcharge.....	2.16
	<hr/> \$13,934.21
DISBURSEMENTS	
Postage, stationery and printing (including Thrift) .....	\$4,793.40
Salaries .....	3,971.82
Convention expenses .....	1,226.98
Proceedings, 1915 .....	1,525.73
Rent .....	604.92
Traveling expenses .....	527.06
Extra help .....	240.66
Telephone and telegraph.....	93.99
Express .....	86.20
Gold badges .....	557.00
Books .....	18.22
Supplies .....	28.05
Flowers for Mr. Meakle.....	5.25
Executive Committee meeting.....	362.56
Picture frame .....	2.50
	<hr/> \$13,542.34
Credit Balance .....	\$391.87

### Report of the Methods and Systems Committee

KANSAS CITY, MO., Sept. 26, 1916.

Mr. President and Gentlemen:

Since the Seattle meeting our committee has co-operated with the Savings Bank Centennial Committee in the conduct of the Thrift Campaign. At meetings called by Chairman Lersner of the Savings Bank Centennial Committee, we have been represented.

Of the one thousand copies of the Book of Forms, 135 remain unsold. Since our last meeting we have sold 117 copies. It will be remembered that the Section's Special Fund of \$2,367.63 was used to pay for the publication of these books, which cost \$3,041.01. There has been received to date from the sale of the Book of Forms \$3,357, which is \$315.99 more than the cost of publication. In the event of our selling the remaining copies (135) there would be to our credit the sum of \$24.06 in excess of the amount originally in the Special Fund, after deducting the \$750 appropriated to the Y. M. C. A. for the Movable Thrift Exhibit, or \$2,400.03.

Immediately following the Seattle meeting our office sent a questionnaire to a number of schools operating savings banks. Two hundred and five replies were received. An analysis brought out the following interesting observations:

#### 1. Suggestions in favor of the system used:

##### Pass book and pass card method—

Simple, inexpensive, avoids mistakes, develops more permanent accounts, practical training for children, real banking practice, teaches thrift, little time necessary, secures co-operation of all the teachers, secures interest of community, children operate the bank themselves and take an interest.

##### Stamp Method—

Makes young children realize value of money, good practical training, allows deposit of the smallest amount, simple, very attractive to children, develops thrift, easy for teachers, children can do a lot of the work, produces rivalry of deposits between schools.

#### 2. Do you advertise your school bank, and how?

Placards, leaflets, circular letters, blotters, souvenirs, calendars, pencils, notice to parents, statements, school paper, weekly report, rulers, talks, prizes, newspapers, pencil boxes.

3. The banks are exerting a good influence and the children are taking a real interest. It is not necessary for the teacher to resort to any special means to keep up their interest. Objects for which the children save are: clothes, college education, building up bank account, vacation, travel, bicycles, graduation expenses, home improvement, books, ponies, shoes, gun, medicine, coal. Evidences of the promotion of thrift among pupils by the school bank are found in "not so much money spent for candy, gum, moving-picture shows"—knowledge of the value of money, care of personal property, continue to save after leaving school.

#### 4. The vocational features are valuable.

5. The following suggestions were made concerning improvements in the plan or method employed:

Would like the children to do more of the work.

Difficulty of finding money to pay expenses of starting bank is a preventative to the installation thereof.

Each state should adopt it. The teachers would then realize that it was a regular schedule, not an added burden.

Largely on account of the Centennial Thrift Campaign a great number of school savings systems have been installed. Last fall the schools of Albany, New York, instituted a savings system and recently report twenty-four school banks, 1,552 pupils with regular savings bank books, and an aggregate sum deposited of \$6,073.17. Last January the New Jersey legislature passed a statute making legal the installation of a "system of school savings banks."



What we consider the most important work of the year with reference to school savings, and entirely to the credit of the Savings Bank Section, is the adoption by the schools of the City of New York of a uniform school savings system. There are 549 schools in New York City and before the campaign thirty-five of them operated school savings banks. So far as the system of doing business was concerned, they were in a deplorable state.

Through the co-operation of the Board of Education and Amzi N. Clark, the originator of the "Brooklyn System of School Savings," the Section came into close contact with the schools of the city. The savings banks, at our instigation, agreed to pay for the initial supplies in sets sufficient for one thousand accounts for each school. Arrangements were then made with a printer to make up one hundred sets of these initial supplies containing all necessary paraphernalia for the installation of a school savings bank. We circularized the schools several times and used every means at our command to show the school principals the desirability of a school bank. A slogan was adopted, "One Hundred New School Savings Banks in 1916." The newspapers were enlisted. The Board of Education detailed Mr. Clark to the special duty of properly installing the new banks. By the close of the school year 116 school banks had been installed, thus more than reaching our goal. There is no doubt that the total will approach 300 or more before the year has been completed.

A number of commercial agencies have been organized for the purpose of furnishing school savings systems to banks and to schools in order to meet the growing demand. The office of the Section has received a large number of inquiries for information concerning school savings which have met prompt response. The Texas Women's Bankers Association has begun a state-wide campaign for the establishment of school savings throughout Texas. The growth in savings in the Minneapolis schools, as the result of President Hawley's work, is worthy of notice. From 9,712 children depositors in 1909, the number has grown to 32,295 in 1916; and deposits at the end of the school year in 1909 of \$14,178 amounted to \$43,372 in 1916.

The Detroit banks also perfected a system of school savings which is being successfully conducted. Paterson, N. J., through the efforts of W. R. Meakle, has instituted a school savings system.

The list of those who received Thrift Talks each month has grown since the Seattle meeting from 1,200 to 6,000. About 2,300 sets are sent out from the office; 850 are distributed by the Michigan Bankers Association; 1,250 by the Minnesota Bankers Association and 1,600 by the Missouri Bankers Association. Each month the Secretary has sent out a letter with the Talks encouraging the addressed to further the thrift campaign, and suggesting ways and means for so doing. The Thrift Talks have received much favorable commendation, and have accomplished considerable good. Banks are using them for monthly house organs, as copy for newspaper advertising, or, in a number of instances, they are put in pamphlet or circular form and distributed to depositors. Y. M. C. A.'s and kindred organizations have used them to excellent advantage in encouraging the habit of thrift among the young men of the country. The small country newspaper has devoted much space each week to the publication of these little articles. So they are read by all classes, aiding the thrift propaganda in effectively reaching the individual in towns of 250 as well as in cities of more than a million.

Respectfully submitted,  
W. E. KNOX,  
Chairman.

### Report of the Law and Segregation Committee

KANSAS CITY, Mo., Sept. 26, 1916.

Mr. President and Gentlemen:

The Nation-wide Thrift Campaign has taken up most of our attention since the Seattle meeting. The affairs of this committee, however, have not been neglected.

Constant watch has been given to Federal legislation affecting savings banks. It was through the efforts of your committee acting in conjunction with the Federal Legislative Committee of the Association that a Section of the present Federal Farm Loan Act, providing for savings departments in connection with the then proposed Federal land banks, was withdrawn.

While the passage of the Federal Farm Loan Act does not give us any cause for fear of government encroachment upon the business of savings institutions, still its successful operation would assuredly supply a most desirable means for receiving the deposits of the people. It is for us to promote the establishment of savings departments in commercial banks and trust companies throughout the United States. If this is not done, the inevitable law of supply and demand will call for the creation of other kinds of institutions for saving.

Would it not be fair for us to assume that when we consider the aggressiveness of the postal savings system and the tendency of the government, evidenced by the passage of the Federal Farm Loan Act, to offer to the public more adequate means for the deposit of savings, that a serious condition arises? Only one-half the banks of Illinois have savings departments and a similar condition exists in other parts of the country. If something of this kind is not done it will be necessary for the government to go into the savings business to a greater extent, with the consequent impossibility on the part of the banks to compete successfully.

Simultaneous with a movement to create savings departments, it would be well, perhaps, to distribute literature promoting safety first in investments and greater uniformity in state banking laws.

On May 17, 1916, Congressman Hill introduced a bill in the House of Representatives which was referred to the Committee on Banking and Currency. Up to the present date it has not been reported on. The bill provides for the investment of deposits of savings bank departments of national banks, and reads as follows:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That an Act entitled 'An act to provide for the establishment of Federal reserve banks, to furnish an elastic currency to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes,' approved December twenty-third, nineteen hundred and thirteen, be, and the same is hereby, amended by adding section twenty-four of said Act the following paragraph:

"National banks conducting savings departments, with savings ac-

counts segregated, and with the five per centum reserve maintained against them, as required for time deposits under the Federal Reserve Law, in addition to making loans and investments heretofore authorized by law may invest the whole or any part of the deposits in such departments according to the laws regulating the investments of savings banks in the states in which such banks are located: Provided, That the state law shall have been approved for that purpose by the Federal Reserve Board."

This seems like a step in the right direction toward the segregation of savings deposits. It would be well, however, for the Section to accomplish the objects of this committee in securing segregation of savings deposits by conducting an educational propaganda rather than a definite campaign for the enactment of laws pertaining to segregation. The main object is to safeguard savings deposits, and nationally, the conditions are so varied relating to the classes of investments, that it would require considerable study of these conditions before any definite plan of action could be offered.

Last October a course in savings banking was introduced in the pages of the JOURNAL-BULLETIN, with a view to promoting a better understanding of the segregation principle. Mr. E. L. Robinson contributed a very valuable paper on the investments of mutual savings banks, which the committee assuredly appreciated, and suggests the printing of the paper in pamphlet form for distribution to members.

Your committee reports progress on the question discussed at the Seattle meeting with reference to a means by which a mutual savings bank may secure currency from a Federal reserve bank in an emergency.

Respectfully submitted,  
GEORGE E. EDWARDS,  
Chairman.

### Report of Membership Committee

KANSAS CITY, Mo., Sept. 26, 1916.

Mr. President and Gentlemen:

With regards to its membership the Savings Bank Section stands in a rather peculiar position compared with the other Sections of the Association. A number of banks enrolled in other Sections as voting members are also enrolled in the Savings Bank Section as associate members. Last year when the National Bank Section was organized, 450 national banks, which had been voting members of this Section, enrolled as associate members. Hence, as each new Section is added to the Association our list of voting members decreases, and the associate membership proportionately increases. The other Sections serve but one class of banks, while we serve all classes in a particular branch of the banking business. Whereas a year ago we had 226 associate members, September 1, 1916, showed 1251 non-voting or associate members enrolled, 844 of which are national banks.

Co-operating with the General Secretary, Secretary Harrison and the committee have been active in their endeavors to increase the membership roll, both active and associate.

The large increase as noted in the following detailed statement is, I think, mainly due to the vigorous manner in which we have been promoting the Thrift Campaign, and the intense interest which has been aroused to the real value of such propaganda.

The following table will show the growth in membership since 1910:

September 1, 1910.....	1773
September 1, 1911.....	1888
September 1, 1912.....	2066
September 1, 1913.....	2378
September 1, 1914.....	2217
September 1, 1915.....	2559
September 1, 1916.....	3479

You will note there has been an increase of about 100 per cent. since 1910 and 36 per cent. since last year.

The detailed report appended hereto shows our membership as of August 25, 1916, a summary of which is as follows:

Total membership August 25, 1916.....	3479
Total membership August 14, 1915.....	2559

Gain since August 14, 1915.....	920
Lost by failure, liquidation and merger.....	42

Net gain since August 14, 1915.....	878
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ASSOCIATE MEMBERSHIP	
National Bank.....	844
Trust Companies, etc.....	311
	1155

Also enrolled as associate members to receive thrift literature, etc.:	
State Secretaries.....	49
Chapters, A. I. B.....	47
	96

Total Associate members.....	1251
Gross Membership.....	3479
Delinquent.....	42

Net Membership.....	3437
Associate members (banks).....	1155

Voting members.....	2282
Non-voting members (including Chapters and State Secretaries).....	1251

Grand Total.....	3533
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The Committee submitted a preliminary report to the Executive Council at its Spring Meeting at Briarcliff Manor in May, 1916. The Committee at this time desires to express its hearty appreciation of the generous support and valuable assistance it has received from the General Secretary and Secretary Harrison in connection with this substantial increase in membership of the Section.

Respectfully submitted,  
H. P. BECKWITH, Chairman.  
HENRY SCHACHTE.  
JAMES DINKINS.  
CHAS. S. NORRIS.  
J. H. EDWARDS.

## Report of Committee on Postal Savings Bank Legislation

KANSAS CITY, Mo., Sept. 26, 1916.

Mr. President and Members of the Savings Bank Section:

Our report of a year ago indicated that the present Congress would in all probability raise the limit of interest-bearing deposits in the postal savings system from \$500 to \$1,000 and that the trustees of the system would be clothed with discretionary power to receive an additional \$1,000 without interest. Legislation to this end was finally effected on May 18, 1916.

The amendment also provides that postal savings funds may be deposited in banks which are not members of the Federal reserve system, provided no qualified member bank is available. Under the Federal Reserve Act depositories must be member banks, and this amendment is obviously to our advantage.

In June, 1916, the month following the passage of the amendment, the increase in deposits was \$3,800,000, four times as great as in the corresponding month of 1915. At the end of July, 1916, the system had total deposits of \$89,700,000 and 612,000 accounts. These deposits were gathered in 7687 postoffices; seven-tenths of the total is credited to the 87 offices having more than \$100,000 on deposit; nine offices now hold 42 per cent. of all deposits, each having upwards of one million dollars to its credit; these offices are in New York, Brooklyn, Chicago, Boston, Detroit, Pittsburgh, San Francisco, Portland, Ore., and Philadelphia. On July 31, 1915, the system had 532,000 accounts with aggregate deposits of \$66,150,000, the year's gain being 80,000 accounts and \$23,550,000 in deposits.

Complaints from some of our members have reached your Committee that the Postoffice Department was unduly active in exploiting its business; particular exception was taken to a card widely circulated by the Department giving information about the system in seven terse sentences, the first of which reads: "Savings deposited at the postoffice are absolutely safe." We think this complaint is justified and your Committee has been in communication with the Director of the System, Mr. Carter B. Keene, protesting against the use of this sentence in the card referred to. We are advised that the various postoffices are stocked with this printed matter, which has been in use since 1913, and the Department disclaims any desire or intention to reflect upon the safety of other savings institutions. Inasmuch as no good purpose is served in accenting the safety of funds deposited in the postal savings banks and as this advertising matter in its present form carries with it in the minds of many an unjust reflection upon other agencies for savings, we hope that when a new addition of these cards is issued the sentence objected to may be eliminated.

One item of interest must not be overlooked. As passed by the Senate, the rural credits bill contained a provision permitting the investment of postal savings funds in farm loan bonds; this provision was strenuously opposed on many sides and we have reason to think that the active opposition of the postal savings authorities had much to do with eliminating this feature of the bill when it reached the Joint Conference Committee for final action. We gladly voice our approval of this effort to maintain the integrity and the liquidity of the postal savings system.

Your Committee is in constant touch with the officers of the system and is glad to report that the present administration is not disposed to invade the territory occupied by the privately managed savings institutions, but to co-operate in every way which will help the people of our land in developing habits of thrift.

Respectfully submitted,

EDWARD L. ROBINSON,  
WILLIAM E. KNOX,  
B. F. SAUL,

Committee on Postal Savings Legislation.

## Report of Special Committee of Nation-wide Thrift Campaign Among Colored People—John Mitchell, Jr.

"Let every man be occupied and occupied in the highest employment of which his nature is capable, and die with the consciousness that he has done his best,"

Sidney Smith.

Mr. President:

I am of the opinion that no proposition offered by you and promulgated by your remarkably efficient and energetic Secretary, Mr. M. W. Harrison is fraught with more benefit to the people of the South-land, irrespective of race or color than is the one which has for its purpose the dissemination of practical methods for the cultivation of thriftiness among the masses of colored people of that section.

For more than ten years, sir, I have witnessed the steady development of plans for the financial betterment of the nation and the information gleaned here has been transmitted to those people by whom I am surrounded. The opportunity to live and learn and to learn and live has been afforded to me by the cheerful co-operation of the southern white men by whom I am surrounded and who have not placed even so much as a straw in the way of the financial advancement of myself or those, whom I represent.

Although a very busy man, I did not see my way clear to decline the call to duty and at some personal expense, I have enlisted the support of some of the leading colored men in the country. I hope that this movement may be encouraged and unanimously endorsed by this honorable body. The better class of white men and the better class of colored ones have a great task before them in this movement. The lifting up of ten millions of people from the degradation of poverty and thriftlessness can best be accomplished through the agency of that class of far-seeing colored people, who will glory in the task and who will not get weary in well-doing.

Still there are thousands, who have learned this lesson of thrift under the tutelage and encouragement of their southern white neighbors. Our people at the close of the Civil War were penniless, but with a determination worthy of the cause, the estimated wealth of the colored people is seven hundred millions of dollars. In my own State, noted for its gallant gentlemen and beautiful ladies, and where the expression, "The ladies, God bless 'em" passes current among the multitude, the progress of the colored people has been so noticeable that it was decided by the legislature of the Old Dominion to keep separate statistics concerning the same.

Hon. C. Lee Moore, one of the ablest if not the ablest Auditor of the Public Accounts Virginia has ever produced in his annual report under date of December 27, 1915, which report was made to His Excellency,

Henry C. Stuart, Governor of Virginia says that the colored people of the commonwealth own 1,674,823 acres of land, valued at \$10,365,377. This, sir, is the result of fifty years steady accumulation and shows that a small proportion of our people are practicing thrift and are preaching by their actions the gospel of economy.

The colored people of Virginia own land, town-lots and buildings valued at \$28,772,199. They own personal property to the value of \$9,076,774, making the grand total in valuation of the property of the colored people of my own state, \$37,848,973.

In my home city, Richmond, where the five story white brick bank building, with its polished steel round door vault, the Mechanics Bank, of which I have the honor to be President, is located, the colored people own real estate valued by Auditor Moore in his report at \$2,841,111. Their personal property is valued at \$531,963. The total value of their property, both real and personal is \$3,373,074.

We have two savings banks in Richmond, the Mechanics Savings Bank and the St. Luke Penny Savings Bank. The gross assets of these institutions are four hundred and fifty thousand dollars. We have three insurance companies in the fraternal and industrial class with admitted net assets of (\$294,404.37) two hundred and ninety-four thousand, four hundred and four dollars. They all have colored officers and they are not any white agency affairs either.

The Southern Aid Society, Inc., The Richmond Beneficial Insurance Co., Inc., and the American Beneficial Insurance Co., Inc., are the ones to which I refer. I am not through with this kind of information. Mr. President, I deemed it proper to call the attention of this honorable body to a partial statement of the producing power of these colored people of this country, to the end that I might show that in making the suggestion and in "calling me to the colors," you "bulldozed better than you knew."

I base the following statistical information upon the percentage of production of the colored population of the United States as set forth in Census Bulletin No. 8 and the productions upon those as late as the year of 1914.

	Quantity.	Value
1911 Corn	98,893,748 bushels	\$94,937,967
1914 Wheat	5,346,102 "	5,346,102
1914 Oats	4,564,240 "	2,282,120
1914 Rye	85,558 "	106,947
1914 Rice	2,198,613 "	2,031,957
1914 Hay	350,355 tons	3,895,340
1914 Potatoes	3,653,289 bushels	1,787,481
1914 Sweet Potatoes	11,937,114 "	8,713,034
1914 Cotton	5,961,063 bales	220,936,225
1914 Tobacco	105,537,258 lbs.	10,343,922
1914 Cotton Seed	2,795,354 tons	39,162,644
Total		\$389,543,739

This represents the partial producing power of the colored people of this country for just one year. The value of the live stock of the colored people on their farms according to the census figures of 1900 was \$84,936,215. The number of banks and trust companies operated by colored people are estimated to be 45 with a combined capital of \$1,600,000 and an annual business estimate at \$20,000,000.

If these people can do this upon the initiative of their own, cordially supported and encouraged by the far-seeing white men of the South-land, what can they do when the thrift movement has behind it the impetus and encouragement of this great financial organization, where the North and the South are working hand in hand in lifting from the chasms of financial degradation and discouragement one of the most industrious races of people upon the face of the globe.

This movement among our people will be cordially supported by the bankers in the section from which I hail. In this connection, the Hon. Oliver J. Sands delivered an address in the city of Richmond at the Fifth St. Baptist Church Thursday evening September 14th, 1916. In this connection, he showed that the percentage of savers to the population was as follows:

New England	60%
Eastern States	31%
Middle States	17.7%
Western States	5.4%
Pacific States	24.8%
Southern States	4%

This showing in the Southland is largely attributed to the colored population. Certain it is then that it must have been the divine power of inspiration reinforced by an investigation of the fact that led President N. F. Hawley, our able presiding officer to decide to inaugurate this campaign specifically among the colored people. The bulk of the money of the colored people and I might say practically all of it is now on deposit in the banks owned and controlled by members of this Association in the Southland.

Money in this country, Mr. President, was created by the white man, its home is with him and I violate no secret when I say that it may perambulate in every direction and pass through the hands of the ten million colored people for various purposes, but that it will eventually return to its creator, while softly humming,

"Mid pleasures and palaces, though we may roam,  
Be it ever so humble, there is no place like home."

I hope then that a way may be found to enable me and my associates to prosecute this work, which will result in piling up millions of dollars in the white institutions of the Southland. As I have before stated much of this will find its way to the colored banking institutions, which by the way are but the entrance doors to the palatial banking houses in the sections where my people reside.

Permit me to thank you and yours for the consideration extended to me for more than ten years. I am here for information and I have tried to profit by the wealth of information which I find here on every hand. I was born in Virginia, on those hills I have played and longed for days, which to me shall never come again.

"Man is his own star; and the soul that can  
Render an honest man  
Commands all light, all influence, all fate.  
Nothing to him falls early, or too late.  
Our acts our angels are, or good or ill,  
Our fatal shadows that walk by us still."



# Detailed Report of Proceedings

Fifteenth Annual Meeting SAVINGS BANK SECTION, Held at Kansas City, Mo., September 26, 1916

Kansas City, Mo., September 26, 1916.

The meeting was called to order by Mr. N. F. Hawley, President Savings Bank Section, in the ballroom, Hotel Muehlebach, at Kansas City, Missouri, Tuesday, September 26, 1916, at 10:30 o'clock A.M.

Invocation by Right Reverend S. C. Partridge, Bishop Diocese of Western Missouri.

PRESIDENT HAWLEY: The Hon. George H. Edwards, Mayor of Kansas City, will deliver the address of welcome:

## Address of Welcome by Hon. George H. Edwards, Mayor of Kansas City

Delegates, ladies and gentlemen, this is rather an unusual occasion for me. I have been talking to bankers a good many years, but it is usually one at a time, and it is in the private office, and frequently rather annoying questions are asked. I come up here today with the distinct understanding that there will be no questions. I am going to say what I have to say and you may accept it or not as you please.

We have here at Kansas City a city of nearly five hundred thousand people, about 450,000 people in two states—Kansas City, Kansas, and Kansas City, Missouri, are separated by a street which runs along the state line. We have a market here for wheat, for hay, for corn and for agricultural implements which is the largest in the United States. We are second as a primary grain market. We are second as a live stock market. We are second as a packing center. We are sixth in bank clearings, and a good part of the time this spring we have been fifth—I do not like to mention that really, I don't want to mention it because our good friends of St. Louis do not like to have us talk about that in public. We are tenth in factory production, having twelve hundred factories and an output of over three hundred million dollars annually.

Were we not so modest, Mr. President, we would tell you we are one of the most beautiful cities in America, but we are going to let you judge that, and look us over, and if you do not coincide with that view you will very much lower yourselves in our estimation as a critic of municipal beauty.

My experience with bankers is that they are intensely interested in financial statements. To give you a few figures in regard to the financial condition of Kansas City: We have an assessed valuation for taxation purposes of \$210,000,000, that is in Kansas City, Missouri, alone. We assess that value at about one-third to forty per cent., so that the real value exclusive of municipal property and of church property, and property used for purposes of that kind, the real value is something over \$525,000,000. The total of our bonds issued and outstanding are \$5,902,000, and we have in our sinking fund, in bonds and cash \$700,000—so our net indebtedness is \$5,202,000—about one per cent. of our real value.

We own our water works system, which is paying an interest of five per cent. on a valuation of \$11,000,000. I would like to have you bankers analyze that statement, and when you have done that I believe you will conclude that we are good.

You gentlemen represent that branch of the banking business which comes most closely in touch with the common people. You are in a large measure responsible for the cultivation of a spirit of economy and thrift among the wage earners. You are perhaps the most important branch of the banking business, and I am glad to be here and talk to you. Kansas City has in the past perhaps not come up to other cities of our class in the way of savings deposits. I do not know why this is true, possibly because we are a new city. You know fifty years ago, Mr. President, the first railroad train entered Kansas City, and today we are the second railroad center in the United States. Within a very few years these streets where you see these skyscrapers and large retail establishments were rocky bluffs. I am by no means an old man, but I can remember on Walnut street and on Main street great bluffs, running up into the air one hundred or two hundred feet, where now are placed large buildings and it has taken money, and it has taken effort, to build a city under such conditions. Perhaps we have been too busy to give the attention that we should to the cultivation of the tendency to save and possibly you people can aid us in that regard, and I believe you can. I believe that your meeting here and your thrift campaign, which I understand you are launching, will aid us in impressing upon our wage earners the necessity of saving and economy. They say that the surest way to cure a man of tendencies to anarchy is to make him earn something and own something. They say that the possession of property, if it is not too much property, has a tendency to advance civilization. If this is true, the work that you men are doing, while perhaps your primary object is not along those lines, the work that you are doing is advancing the welfare of the whole country, and in that respect we all look up to you, and we honor you for the work you are doing. There is another reason why perhaps our people have not been able to accumulate so much in savings deposits as they might have. We are building a new city. Our wage earners are applying their wages and paying for them, and when you go over the town you will find that we are a city of small and moderate homes. Our people own their own property; they take a pride in keeping it in order, and they have invested all their surplus earnings in that way, rather than in putting them in savings. However, our savings deposits have more than doubled in ten years, and we believe as we grow older and are

on a more stable foundation that they will correspondingly increase. Now, Mr. President, on behalf of Kansas City, I want to extend to you and to your association a very cordial welcome. We want to do everything that we can to make your stay here pleasant and profitable. We know that we will be the gainers for your having been here, and we want in some small measure to return to you something for that which you give. I thank you.

PRESIDENT HAWLEY: Mr. Mayor and the citizens of this city whom you represent, I assure you that it is a pleasure to us to hear a hearty welcome from your city,—a city with the vigor that pulses through the business offices and that incites us to work from the activity that we see not only in this district, but also in the city's beauty and city's activity. It is true, this branch of the association is most interested in saving, and if we can pay some return for the welcome that you have given us by inspiring you to greater economy, greater savings, and to something that is better than either of these, the building of the character that is necessary to save, we shall perhaps make some small return for the kindness and courtesies that you have extended to us, and we hope in that way, that there may be a double gift from you to us, which we are enjoying in the kindness that we meet on the streets and in all the places that we go, and that we in turn may give to you some inspirations that may be of use to you, and we certainly appreciate most highly the welcome that you have given us, and the courtesy that you have extended to us. (Loud applause.)

PRESIDENT HAWLEY: The first address of the morning, entitled "One Hundred Years of Savings Banking," by Mr. Edward L. Robinson, Vice-President Eutaw Savings Bank, Baltimore, Maryland.

## "One Hundred Years of Savings Banking," by Edward L. Robinson

[The reader will find Mr. Robinson's paper in full on pages 179 to 185 of this publication.]

PRESIDENT HAWLEY: We are exceedingly fortunate to have a history of the savings bank institution so happily written at this centennial celebration of savings. It will become a history to those who wish to seek information and inspiration regarding savings. On account of another engagement which Dr. Graham Taylor of Chicago has, it will be necessary for us to change our program, and he will at this time address us on "The Social Aspect of Thrift." Dr. Taylor.

## "The Social Aspect of Thrift," by Prof. Graham Taylor

[Dr. Taylor's address will be found on pages 186 to 187.]

PRESIDENT HAWLEY: We will make on other change in our program and ask Mr. George E. Allen to address us at this time on "Thrift and Human Nature." Mr. Allen.

## "Thrift and Human Nature," by George E. Allen

[Mr. Allen's paper appears on pages 188 to 189.]

PRESIDENT HAWLEY: It is quite appropriate that the gentleman who has aided the committee that has had in charge the Centennial Thrift Campaign should address you, and I will now ask Mr. Victor A. Lersner, Comptroller of the Williamsburg Savings Bank of Brooklyn, New York, to address you.

## "Centennial Thrift Campaign," by Victor A. Lersner

[Mr. Lersner's address appears on pages 189 to 190.]

PRESIDENT HAWLEY: We have just received word that the speaker on the program is unable to be with us, Mr. Irvin S. Cobb. Now, this has been a celebration of a century of savings, and yet, as you will perceive, the real celebration is not in this room at this time, it is rather in the impulse which we are endeavoring to give to thrift and to the building of character throughout this nation, and we solicit not only the assistance of the members of our own Section, but the help of the citizens of our country that in this time of prosperity we build up a system and a character for saving that will last us and that we will need most of all in the time to come.

I will ask the secretary to make some announcements.

SECRETARY HARRISON: On Wednesday evening at 8:30 o'clock an entertainment will be held in Convention Hall in celebration of the Centennial of American Savings Banks. A

large crowd is expected to be present. It is therefore suggested that those wishing to attend be there early at the session. Motion pictures of the nationwide thrift campaign, the production of which was completed last week, will be shown. There is a section reserved for delegates. The afternoon session of the savings bank section will be held at 2:30 o'clock today in the assembly room of the Muehlebach Hotel, which is just diagonally across the hall. There will be three very important discussions: "Government and Private Institutions for Savings," "The Business of Getting New Savings Accounts and the Vitalization of Dormant Accounts," and "The Advantage of Personal and Collateral Loans in Providing Sufficient Liquidity for Savings Bank Investments." These discussions are of great importance to savings bankers, and I would suggest that as many as possible be present.

The National Bank section meets this evening at 8 o'clock in the Francis I Room at the Baltimore Hotel. Honorable John Skelton Williams, Comptroller of Currency will address the meeting on "The Soul and the Dollar."

It is hoped members of the section will not fail to visit the exhibit of the thrift campaign at Convention Hall.

PRESIDENT HAWLEY: Ladies and gentlemen, we stand adjourned until 2:30 o'clock this afternoon.

#### AFTERNOON SESSION.

The meeting was called to order at 2:30 o'clock P.M. in the Assembly Room of the Hotel Muehlebach by President Hawley.

PRESIDENT HAWLEY: Gentlemen, we have been living in the hope we might reduce this noise, but I am afraid we will not accomplish that object. I hope you can hear me. If we find it impossible we may have to adjourn to some other place.

#### Address of N. F. Hawley, President of Savings Bank Section

In this centennial year it is fitting that as we mount the summit that divides one century from the other we should first look back over the road that we have come, note the causes of our broadening way and the events that have marked our varying progress and then turn to the future and try if we can to find whither our road should now lead us and if possible shape our course and not go hither and yon as shifting events may by chance compel us.

The history of banking in this country furnishes a number of significant guide-posts which if correctly interpreted will rightly direct us on our future way; wrongly read or left unnoticed, we may wander far from the best trail and be compelled sometimes to return and again get our bearings.

Let us, however, at this time consider but one aspect of banking. How can the banks of this country make themselves most useful? Are we as bankers doing all that we may to serve the financial needs of the people?

The foundation of usefulness on the part of the banks of the country must rest upon the confidence they inspire, not merely the assurance which people feel in the solvency of a particular bank or banks, though of course that is absolutely necessary, but also confidence in banking institutions and methods generally.

For some reason ever since and before that unfortunate incident in banking history between Andrew Jackson and the United States Bank, sometimes justly and sometimes without cause, there has been a lack of confidence on the part of people generally in banking institutions and in the motives of those who operated them. Men of high honor, filled with patriotism, ready for service and sacrifice to the utmost have filled positions in banks. Bankers have again and again made sacrifices for their communities, have lived long lives of usefulness and have been an inspiration to the people among whom they lived.

Yet have banking institutions always commanded the fullest confidence of the people in the disinterestedness of their business methods and motives? If not we should ascertain the facts, acknowledge them and find the reason why. Otherwise our progress will be retarded and we cannot reach our highest usefulness.

It may be that a banker who is generous and public spirited personally when he comes to looking out for the interests of his stockholders and his depositors, his deposits and his dividends feels either instinctively or consciously the necessity of safeguarding what has been intrusted to him, of resisting appeals for co-operation, innovations in banking and in banking methods or suggestions of new lines of endeavor. And for his institution he becomes thoroughly conservative, insisting, while protecting the moneys intrusted to him, upon every right and advantage which his bank can legitimately claim and thus makes his bank seem hard and even grasping in its dealings with the people.

Or this distrust may be the result of a number of unfortunate failures on the part of bankers to support forward movements for the financial betterment of the country. They may have done this with upright motives, yet sometimes in mistaken judgment. A few illustrations will be cited.

Did the bankers of the period of the Civil War with whole hearted endeavor support the establishment of national banks and the effort on the part of the Government to create a means for disposing of bonds to meet the emergencies of a great war? Although many individual bankers came to the patriotic support of the government, yet as a whole the banks fought the inauguration of the national banking system.

Again when state bank currency was discredited and when the national government attempted to create a sounder national currency by levying a tax upon the issue of the state banks in order to eliminate it, did the bankers approve of this step and forward its consummation? On the contrary they fought the law and its enforcement to the United States Supreme Court. Were they right in opposing the establishment of a single national currency that would circulate

equally throughout the whole country or were they right in preferring a depreciated state currency? We know well enough now which was the better. Did they have no sound judgment as to what was best? Undoubtedly the banks of the country had particular interests and investments at stake which this law affected. But their protection of those interests and investments and the performance of what they deemed their duty failed to inspire confidence because of their failure of good judgment or their motives.

In most of the commonwealths of the Union state supervision of banks is now accepted as a matter of course and is in fact being insisted upon by bankers with laws and enforcement more and more drastic. Bankers have come to realize, if they did not always know, that repeated examinations and publicity insure safety and mutual protection and that the public knowledge of absolute security brings success to their own interests. Why have bankers not always viewed such supervision with favor? It is true that politics sometimes has violated the quality of such supervision. But if the bankers had unanimously insisted upon rigid state supervision and complained when it was poor, would they not at least have satisfied the people of their good faith as well as secured better supervision?

One of the greatest states in the country has no banking law that prevents anyone who will from setting himself up as a banker, practically without supervision, adopting the name of a bank and soliciting deposits from those who are too ignorant to know the difference between a private banker and a corporate and publicly inspected bank. In such a state it would seem that there must be some banking interests that are opposed to laws that will prevent such banking. Otherwise one would think that if the bankers of that state would unitedly ask for laws such as other states have for the protection of the poor and ignorant no legislature would deny them. Again it would seem true that insistence by the bankers upon proper laws and their enforcement would tend to increase confidence in them.

When the Government came to the time for framing the Federal Reserve Act, although the bankers of the country had done much and wisely towards getting the facts and submitting the plans for a sound financial system, yet it was said that in our endeavors to be of assistance we were handicapped on account of lack of confidence in bankers or their motives. Whether justified or not the suspicion deprived us of being to the greatest degree useful in one of the most important financial incidents of the country.

May not the one thing more than any other which through all these years has thwarted us in attaining the highest results and which has often engendered a lack of confidence, not in the soundness of particular banks but in the disinterested motives of banking institutions, been our own mistaken, often misguided self interest? Self interest in itself is not necessarily improper. No one expects banks to be charitable institutions. But if our insistence upon our own interest results in blinding us to the welfare of others, and particularly to that of the whole people, the broader view is lost sight of; we lose the good will and confidence that we should have if the greatest ultimate success is to be attained.

For illustration, a good rate of interest may be wise. Too high a rate is a blunder. A man may insist upon too high a rate because his eyes are glued too closely to the profit that he sees his bank will gain in the particular transaction. A wiser man will see farther. He knows that such a short sighted policy cannot bring his bank the greatest prosperity. He knows that the welfare of his customer is bound up with his own.

What is true in the detail of interest is true in all banking affairs. The banker stands so close beside the arteries of business, is related so nearly to the flow and ebb of life through them that it would seem that he more than anyone else should realize that in taking toll of the traffic passing through his gateway he must be mindful not only that he does not exact too much but also that it is absolutely essential that he finds means to give full service to those who pass. Call it philanthropy if you will, but the proper name is compensation if a banker renders to his community and his country in return for his profit the best effort of his hand and mind.

The ethics of medicine require the physician to spare no time or pain or effort for the sake of his patient whatever the compensation may be or whether there be none at all. Must the banker always take a less exalted position? When he can stand in the community beside the physician, the people will have confidence not only in the safety of his bank but also in the wisdom and disinterestedness of his advice on public as well as private questions.

But if he would be most useful, the banker must not only make his interests square with that of the community and inspire all with assurance of his high purpose, but he must also extend to the utmost the facilities which his intelligence is able to plan. Have we in the past afforded all the financial conveniences which we might for the use of the people and are there not many which we may in the future extend, some slowly, some rapidly but with increasing usefulness as experience shows the way?

Have the banks now allowed some very important functions to slip through their fingers which they ought to have retained to themselves but which they have permitted other persons or institutions to take over, it may be because we have been too busy or because we did not see to it that laws were framed to enlarge our powers or because precedent seemed against it or prejudice opposed it?

It will be understood that I am not speaking in derogation of the interests of any financial institutions. But frankly is there any good reason in the nature of things why banks, at least those of a proper size and under proper legislation, should not have been given all the functions of trust companies? There are many reasons why they should have reached out or rather followed the natural course of events and taken those functions over. The banks were already in many respects equipped for it, their organization was complete, overhead charges would be less, their reputation well established and the confidence of the community assured. This formed the best basis for the taking on of an added usefulness.

That such a course would be wise is attested by the fact that in California just that process is in operation and has succeeded. It is further supported by the fact that many banks have affiliated themselves with trust companies as fully as if the two were one institution and have done so to the mutual benefit of both. If the two can operate together successfully, yet as separate corporations, they cer-



tainly could, if the law permitted them under proper safeguards, carry on business as one corporation and if such permission were given there would be many communities and people accommodated to the extent of all that a trust company can do, when now they must seek those conveniences at a distance and at an expense of time and money.

No one will understand that this is meant as an argument for or against the mere legality of the trust provisions of the Federal Reserve Act.

Again in offering to the public financial conveniences is there any good reason in the nature of things and if proper laws were framed why banks should not perform all the functions of investment companies, whether it be in finding securities for purchase by their customers or in finding funds to finance municipalities and industries? The same reasons for the performance of these offices exist as for doing the business of trust companies, namely the familiarity of bankers with financial problems, their organization and the economy in overhead charges.

Nor is there any reason why a local bank, whether in a large city or in a small town, should not act as guardian, administrator, executor or trustee to carry out the wishes of deceased persons. They are usually better equipped to do the business safely and economically than the nearest relative, especially if the estate is large. They would be more easily subject to supervision by the courts and could more readily render financial assistance in handling estates than private individuals. This is especially important where the surety companies and trust companies are not in business. Such a suggestion, however, presupposes that local banks should in time demonstrate as they could their ability to do such business with small expense and strictly in the interests of the heirs, devisees or beneficiaries of the estate.

It is to be regretted that Congress in seeking a means for carrying on the business of a Federal Farm Loan System did not turn to the local banks of the country and enlist them in some way in the service—a service that is already very largely performed by the local banks in the farming communities throughout the country. The government would then have been able to have used an immense number of men, intelligent and trained for the loaning business, and could have greatly economized in the expense of carrying on that business and at the same time secured all the benefit of lower rates, if any there shall be. And it is to be further regretted that when we found that such a law was inevitable we were either not disposed or not possessed of a reputation for disinterestedness such as would have enabled us to have suggested this and other useful provisions in the Act which was adopted. Even yet it is believed that on the one hand the Government must turn to local bankers in farming communities and on the other that these bankers can make use of this system, provided it is found that the plan is not handicapped by conditions that would not favor its successful operation.

May there not be other ways in which the banks might develop functions which would serve the people? For illustration in industrial insurance, which is already in operation by the savings banks in one of our states, the financing of co-operative associations, both in country and city, which has already been to a slight extent inaugurated, the carrying on of a savings and loan business, encouraging the building of homes and the amortizing of mortgages upon homes, the establishment of savings banks as departments, which is receiving a strong impetus at this time, and many other like things.

Speaking of savings banks brings us to the question as to whether the usefulness of the savings bank cannot be with safety and with profit greatly broadened. We are of course familiar with the foundation of the mutual savings bank, with its purpose, with the carefulness with which the one function of savings has been surrounded and the assiduity with which all other functions have been excluded. But the rise of the savings departments of commercial banks and the rapid growth of trust companies in states where such savings departments are prohibited raises the question as to whether mutual savings banks can and ought to remain single to the one purpose for which they were organized. The inquiry is raised whether if they are going to serve the people to the greatest degree they should not add instrumentalities for such service.

These considerations will not appeal to those trustees of mutual savings banks who feel the performance of their duties is a burden and that more functions and even more deposits are undesirable because they bring more care and work. These suggestions can appeal only to those trustees who are anxious to serve most.

Are there not some things which mutual savings banks can safely and properly add to that of merely receiving and investing savings funds, provided of course that the proper change in the law is made?

It is suggested for illustration that such banks should be given authority to buy and sell exchange, at least for the benefit of their customers. Many of the banks of this sort are prohibited from performing even this simple thing.

Again is there any good reason why the mutual savings bank should not adopt at least some of the methods of the savings and loan association, with the prime object in view of encouraging the building of homes and the gradual payment and amortization of mortgages thereon and thus enable their customers to employ one of the wise and successful methods of saving money?

Still again where school authorities, either through prohibition of the law or disinclination, do not inaugurate and carry on school savings in the public schools of the community is there any institution better equipped to do the work or whose purposes is more nearly in line with the educational purposes of the school savings system; and could any more beneficent object be undertaken by a savings bank irrespective of whether ultimately it or its depositors might greatly profit thereby?

There are many good reasons, too, why a savings bank ought to be permitted to sell mortgages or other securities to its customers, many of whom know no other bank and are utterly at a loss to know what to invest in or even how to find out what to buy. The savings bank may have been the depositor's sole friend and advisor for many years and when the limit of his deposit has arrived could there be any counselor who would be more wise or more solicitous for his best interests than the bank which has safeguarded his funds while he has been accumulating them?

There will be reasons why this or that particular thing in various places should not be undertaken by banks. There will also be

general reasons urged against the enlargement of their scope and functions. It will be suggested that what has been is good enough; that old methods have proven safe; that departures are attended with danger for in multiplicity of purpose there is opportunity for mistake and that the safer course lies in not attempting experiments.

Of course there is truth in the theory that what has succeeded forms a good precedent for what will succeed in the future. Must we, however, make the admission that our intelligence and capacity is so limited that we cannot adapt ourselves to new conditions, cannot take on new functions when called for by the necessities or convenience of those we serve? Are we so limited that we cannot maintain safety and at the same time multiply activities? As a matter of fact the distinguishing feature of the present time is our ability in business to retain the fundamentals such as integrity, faith, mutual confidence and at the same time multiply in almost unlimited complexity the agencies through which we carry on our work. The up-to-date business man in the line of his activity stops at no bridge that will carry him over into new endeavor. He finds in himself and those whom he associates with him in management the ability to do all that the exigencies of his business call for, or at least to increase his capacity for doing it, and at the same time he maintains his standing and his reputation for efficiency. If he can do this, why cannot the bank?

If the little country cross roads bank can not only receive and pay out the deposits of its customers, but make loans, buy and sell real estate, do a fire and tornado insurance business, look after estates and attend to the affairs of the widow and give advice and assistance to the unfortunate, say nothing about his part, sometimes a dominant one, in the affairs of his community—if the country banker can do all this and do it honestly, safely and with ability, then why should there be anything to limit the city banker doing likewise unless it be his capacity or the laws which partly through his own fault fail to give him the necessary authority to do so?

But whatever may be our theories or opinions about the matter, we must wake up or we will be standing still while others pass us. We may be still doing our duties at the old stand but others may find wide and useful fields to cultivate. On the one hand the national government may be taking over functions which we did not seize or others which we did not efficiently perform and on the other, new agencies may come into being to fill the want that we failed to supply. We should not only be alive to the trend of events, to the new demands of the times, to the increasing agencies for carrying on business, but we must make ourselves able to meet the new issues and willing to undertake what may be necessary.

PRESIDENT HAWLEY: We will now listen to an address on Postal Savings, by the Hon. Carter B. Keene, Director of Postal Savings.

#### "Postal Savings," by Carter B. Keene, Director of Postal Savings Bank

[Mr. Keene's paper is given on pages 190 to 192.]

PRESIDENT HAWLEY: This discussion will be further participated in on the subject of "Institutions for Savings" by Mr. William E. Knox, Comptroller of the Bowery Savings Bank of New York.

#### "Institutions for Savings," by William E. Knox

[The paper of Mr. Knox may be found on page 193.]

MR. KNOX: Mr. Chairman and gentlemen, there ain't going to be any discussion about this matter at all. After listening to Mr. Keene's very admirable and very illuminating address and seeing the spirit in which the postal savings bank authorities are going about their work, I think every one of us will agree that there is plenty of room for them in their chosen field, as there is for us in our chosen field, and we have no desire in any way to enter into any discussion with them, except the friendly discussion as to how best we both can serve the people. After Mr. Robinson's address this morning, which I am sure you will agree with me will be a classic in savings bank literature for many and many a year, there isn't anything that I can say about mutual savings banks, or about their growth, or about their service to the people, or about them in any way that will add in the slightest degree to what Mr. Robinson said, so that I am going to cut out that part of it absolutely and entirely. We all know what the mutual saving banks have done, we know what they are. We are all actuated by the savings bank spirit, whether mutual savings banks or stock savings bank or the saving department of a commercial bank. There is work enough for all of us in the future. There is work enough for us in the immediate future, every one of us, in carrying forward the thrift campaign which our thrift committee has started and which is meeting with such wonderful success all over the country. But there is one matter I do want to bring to the attention of this convention, a matter I think we should all think about. We have been thinking about it for a good many years, and I think that the time has come when, instead of sitting idly by and thinking and talking, we should take some definite action. The time has come in the history of the savings bank when we must stop for a minute to look back over the one hundred years of splendid achievement that have gone by, to take stock of what we have as a result of that achievement today, and to look forward a little bit into the future to see what we ought to do in the interest of our depositors, of the ten or eleven million people who have confided their money to our keeping, and for whom we are the stewards, and so that I shall get what I want to

say as briefly as possible and not wander away from the point, which is a fault that I have, I have written down here just two pages that I want to bring to the attention of this convention, and I will be most happy if the convention sees fit to take action along the lines that I shall suggest.

There are problems to be faced in the future upon which the continued welfare of the savings banks depends. It is time we gave some thought to the future stability of our railroad investments. As trustee for ten million depositors, for whom we hold eight hundred million dollars of railroad bonds, it is not only our right but our duty to see that the railroads receive just and fair treatment at the hands of those whom we have delegated to make and enforce the law for us, and it might be just as well to impress it upon the lawmakers and the executives that before passing any law, or taking any action that shall affect the interests of the people, of whom the savings banks depositors are a considerable part, it is their duty to consider all parties interested.

I would suggest to the convention that the savings banks, being interested parties, should, through the legislative committee of the American Bankers Association, have a hearing before the passage of any laws which may in any way have a bearing on railroad securities. That is our plain duty and a duty we should not shirk. Recent developments, involving action by the President and the Congress of the United States, force us to the conclusion that the most serious problem confronting the railroads today is that of regulation. In common with every other party, they have to deal with new economic issues. They alone have to contend with the most bewildering and confusing—I had almost said system, only it is a lack of system, of control exercised by forty-eight states and one federal authority from Congress and from the legislature the law of these states come every year and ever increasing number of laws affecting railroads, dealing not only with matters of general regulation but in particular relating to matters of railroad operation. The effect of this legislation is to make difficult the task of the experienced railroad executive, upon whose discretion and judgment reliance must be placed, and to add tremendously to the cost of railroad operation and maintenance. To comply with various state decrees in 1914, railroads operating more than two hundred thousand miles of railroad were compelled to expend the equivalent of a five per cent. dividend on five hundred and seventy-four million dollars. That sum would have paid one year's interest at three and a half per cent. on the eight hundred million dollars of bonds held by the savings banks.

It would seem that the rational way and the only way to end the evil of the existing system of regulation is to substitute a system of supervision for the badly complicated and inconsistent laws of forty-eight uncoordinated states. To serve the needs of the country, strong railroad credit, an attraction to the railroad of much needed capital, we must substitute a rational, businesslike system of federal regulation to replace the present burdensome laws. In the determination of that solution, doubtless to be wished, the savings banks of the country, through the committee of the American Bankers Association, should have a part.

PRESIDENT HAWLEY: The next order of business is "The Business of Getting New Accounts and the Vitalization of Dormant Accounts," by Mr. E. G. McWilliam of the Security Trust and Savings Bank of Los Angeles.

#### "The Business of Getting New Accounts," by E. G. McWilliam

[Mr. McWilliam's paper appears on pages 193 to 197.]

PRESIDENT HAWLEY: The next paper on the program is "The Vitalization of Dormant Accounts," by Harvey A. Blodgett, of St. Paul, Minnesota.

#### "Vitalizing Dormant Accounts," by Harvey A. Blodgett

[Mr. Blodgett's paper is printed on pages 197 to 200.]

MR. HAWLEY: The next topic is "The Advantages of Personal and Collateral Loans in Providing Sufficient Liquidity for Savings Bank Investments," by Frederick B. Washburn, Treasurer of the Worcester Five Cents Savings Bank, of Worcester, Massachusetts.

#### "The Advantages of Personal and Collateral Loans," etc., by Frederick B. Washburn

[We give Mr. Washburn's paper on pages 200 to 202.]

PRESIDENT HAWLEY: Is it your desire to discuss any of these papers?

#### RELATIVE TO THE COLORED PEOPLE.

MR. JOHN MITCHELL, JR.: I hope you will pardon me, I have been with you I think some eleven years and I think this is the first time in ten years I have said a word, but I could not let the opportunity pass without saying a word about our white friends in the South. As you well know, you specify that I should take charge of a movement

among the ten million colored people of the United States with the idea of promoting thrift among that great body of our body politic.

Before proceeding, however, I wish to pay a compliment to the presiding officer of this savings bank section. I have never during the entire experience here among you gentlemen witnessed a better working team than the one consisting of the Hon. N. F. Hawley and that magnificent young man, M. E. Harrison, who is secretary of this section.

Just before leaving Richmond on Friday, September 22d, I approached His Excellency Henry C. Stewart, Governor of Virginia, with a local delegation at Richmond, Virginia, and he assured me that he endorsed the movement and he was happy to know that this great organization had taken cognizance of the colored people of the Southland. He promised to send me a letter, and when that letter is sent I shall file it among the archives of this association.

You probably do not know that the colored people of the United States own seven hundred million dollars' worth of property. In my own State it is a remarkable fact, and that this has been done under the tutelage and support of the better class of white men of the South.

I am standing here today in a humble capacity representing the Mechanics' Savings Bank of Richmond, and, by the way, one of our morning contemporaries placed me in the State of Indiana, and I am unable to state how I shall ever get home. They also placed our deposits at seventeen thousand dollars when, as a matter of fact, they were two hundred and seventeen thousand dollars and our gross assets two hundred and fifty-six thousand dollars.

Honorable Alden J. Sams addressed a very large part of the colored people in the city of Richmond on September 14th in advocacy of this great nationwide thrift movement, and, gentlemen, the progress of the South is being worked out by the better class of white men and by the better class of colored men, and very few people understand what is going on there. It is supposed that the hoodlum element, the ne'er-do-well element, represents that element, but it is all a mistake. We are piling up millions of dollars there in property, personal and real, under the tutelage of the white men of the Southland, and I thought I would file with the secretary, with your kind permission,—I don't want to detain you,—a detailed statement of really what is going on, in order that you might get at least some idea as to how the progress, of which you know nothing, is actually progressing.

The general feeling is that there is an antipathy existing in the Southland, when, as a matter of fact, the very best class of gentlemen I have met since I have been there are from the States of Texas, Louisiana, Mississippi, Georgia and Florida and South and North Carolina and the great State of Virginia, and it is well understood when you speak of the thrift movement you will have the cordial co-operation of every white man who resides north of the Mason and Dixon line.

I therefore thought I would say just this word so that it might go back there and they would understand what you are doing and what we are trying to do. In conclusion I would remark that you know that money was created by the white men of this country, but it goes among the colored men and it goes among the Indians, but it will naturally return to its creator. This thing is known and it is known just in proportion as the citizen, regardless of race or color, makes himself of financial benefit to the community, he improves the community that much.

I have enlisted the support of some of the leading men of the United States. Dr. Booker T. Washington died just as I was about to get him interested, and his successor has promised to co-operate.

I thank you very much, and in order not to detain you I will send this up to be spread upon the minutes, in order that I need not at this time take up valuable time in commenting upon a subject that is too well known by all gentlemen who live in the South.

PRESIDENT HAWLEY: Unless objection is made the communication will be received and placed on file.

#### Report of Committee on Thrift Among Colored People

[This report is published on page 206.]

PRESIDENT HAWLEY: If there are no further discussions of the topic of the afternoon we will proceed to the next order of business, which is that of unfinished business. Is there any unfinished business, Mr. Secretary, that you are aware of?

SECRETARY HARRISON: None.

PRESIDENT HAWLEY: Under the head of new business, there are some recommendations coming from the Executive Committee. The secretary will please report some of the recommendations made by the Executive Committee to the section.

#### RESOLUTION ADOPTED CHANGING ALL COMMITTEES

SECRETARY HARRISON: The Section has at the present time five committees, namely Methods and Systems Committee, five members; Law and Segregation Committee, five members; Membership Committee, five members; Postal Savings Legislative Committee, three members; Savings Bank Centennial Committee, seven members. The Savings Bank Centennial Committee was appointed for this year alone. The other committees are more or less permanent. As endorsed at our spring meeting, the name of the Methods and Systems Committee might be changed to Publicity and Systems Committee. However, I would propose a radical reorganization of all these committees, primarily to simplify the organization of the Section and produce greater efficiency in the committee work. I would therefore suggest that the following committees should constitute the committee-organization of the section; Membership Committee, five members; Committee on Savings Legislation, three members; Committee on Propaganda, three members.

The functions of the Membership Committee need not be detailed, as they are well known. The Committee on Savings Legislation would take over the work which has been done by the Law and Savings Committee. The Committee on Propaganda would take over the work of the Methods and Systems Committee and be responsible for the thrift campaign. With respect to the Committee on Savings Legislation I would propose that the vice-presidents for each State act in an advisory capacity and be notified accordingly.

PRESIDENT HAWLEY: There ought to be an amendment to the by-laws to carry that out; isn't that so?



SECRETARY HARRISON: No.

PRESIDENT HAWLEY: Are the committees appointed by the by-laws?

SECRETARY HARRISON: Not by the by-laws; no, sir.

PRESIDENT HAWLEY: Then it requires a resolution to change these committees.

SECRETARY HARRISON: It requires merely a resolution of the Section.

PRESIDENT HAWLEY: Have you the action of the Executive Committee to report?

SECRETARY HARRISON: This was unanimously approved and recommended at least by the Executive Committee in session yesterday to the session meeting to-day.

PRESIDENT HAWLEY: Gentlemen, what will you do with the recommendations of the Executive Committee with reference to simplifying and changing the committees?

MR. BECKWITH: I would move you that the recommendation as adopted yesterday by the Executive Committee of this association relative to changing these committees be approved by this section.

Thereupon, the motion having been duly seconded was unanimously carried.

PRESIDENT HAWLEY: Is the Committee on Resolutions ready to report?

#### THANKS TO MR. WEBB.

MR. STEPHENSON: I have a report of the Committee on Resolutions ready to present.

Whereas, At the request of the officers of the Savings Bank Section, Mr. W. S. Webb, Cashier Missouri Savings Association, organized a committee, of which he was made chairman, and satisfactorily arranged the details of the Savings Banks Centennial Celebration in Kansas City, and

Whereas, Such details so well arranged have added much to the success of this celebration; and

Whereas, The success of our own meeting has largely depended upon the speakers who have so generously given of their services; be it therefore

Resolved, That this Section extends to Mr. Webb and his committee, as well as to the gentlemen who have addressed us today, its sincere thanks and hearty appreciation for their successful efforts and the excellent services performed.

ROME C. STEPHENSON,  
LOUIS BETZ,  
J. P. MATTHEWS,  
Committee.

A MEMBER: I move that the resolutions be adopted.

Thereupon the motion having been duly seconded was duly carried.

PRESIDENT HAWLEY: Will the secretary please report another recommendation which I think comes from the Administration Committee of the Association. Will you please make the report?

#### CHANGE IN BY-LAWS.

SECRETARY HARRISON: This comes from the Executive Committee of the Section and has been approved. It was a suggested change in the by-laws which has been approved by the Executive Council and recommended to this meeting, as well as having been approved by the Executive Council of the association, which is necessary under the by-laws of the association. The present section 9 of the by-laws of the Savings Bank Section reads: "Each State having not less than five saving bank institutions, members of the American Bankers' Association, shall be entitled to a vice-president of the Section. Such vice-president shall be appointed annually by the president and shall act generally in an advisory capacity to the Executive Committee."

This is to be changed as follows, or suggested to be changed as follows, and recommended to be changed: "Each State shall be entitled to a vice-president of the Section. Such vice-president shall be elected by the delegates in attendance at the annual convention of the State Bank Association of each State, whose banks are themselves members of the saving bank section of the American Bankers' Association. In the event of failure to so elect, the vice-president shall be appointed by the president of the Section. The vice-president shall hold office from the annual meeting of the Section next following the election or appointment, until the next annual meeting of the Section. The State vice-president shall act in an advisory capacity to the Executive Committee, but shall not be entitled to vote at any meeting thereof."

In other words, instead of the president of the section, as heretofore, appointing the State vice-president, or vice-president for the various States, they will be elected at the meeting of the State Bankers' Association.

PRESIDENT HAWLEY: Gentlemen, what will you do with the recommendation as to the amendment to the by-laws?

A MEMBER: I move its adoption.

A MEMBER: I second the motion.

PRESIDENT HAWLEY: It has been moved and seconded that we adopt the amendment to the by-laws. Any remarks?

MR. BECKWITH: Understanding, as I do, the motive for this proposed amendment. I have learned recently that the thing will become inoperative entirely in some of our States as the language of this amendment is designed. Mr. Strong, from Connecticut, informs me that there are no savings banks in the State of Connecticut that are members of the State Bankers' Association. In other words, in the State of Connecticut the banking body there will only be privileged to elect somebody to our body who is not a savings banker. That might occur in some other States. As a matter of fact in New York State we only have about twenty-five or thirty per cent, I think.

MR. STRONG: The situation in Connecticut is probably somewhat different than in any other State. We have two banking associations, the Savings Bank Association of Connecticut and the Connecticut Bankers' Association. The Savings Bank Association of Connecticut numbers about seventy-two out of eighty mutual banks of the State. None of them are members of the Connecticut Bankers' Association. There are forty-three members of the Savings Bank Association of

Connecticut that are members of the American Bankers' Association. There are six trust companies who have designated their interest in the saving bank section, so that I imagine they hold their vote in the trust company section. They are members of the Connecticut Bankers' Association. If this section should recognize and expect the Savings Bank Association of Connecticut to nominate the vice-president it would be of course a most representative way to do. I don't know that the situation in Connecticut should stop this resolution as long as it does not apply to forty-seven other States.

PRESIDENT HAWLEY: Suppose for any reason you did not elect a vice-president, this contains the clause that in the event of failure to so elect the vice-president he shall be appointed by the president of the section. In fact it goes back to our present method in case for any reason a State does not elect a vice-president.

MR. STRONG: I think it can be worked out satisfactorily. I think probably the Savings Bank Association could advise you they have nominated a vice-president and there would be no objection. I think we can work it out.

PRESIDENT HAWLEY: The secretary desires to speak on the matter.

SECRETARY HARRISON: The vice-president in each State, mind you, is elected by the members of the Savings Bank Section in attendance there at the State Bankers' Association Convention and that would be entirely regular to have them elected in that way, I should think.

PRESIDENT HAWLEY: Does this not afford a means of the vice-president being appointed? If one method does not work the other will.

MR. STRONG: Oh, it can be worked out. On further thought I think the best thing to do is to let it go through and let Connecticut solve its own problem; we can do it all right.

The vote having been taken the motion was unanimously adopted.

PRESIDENT HAWLEY: Mr. Edwards has a matter to report from the Executive Committee.

#### RESOLUTION IN FAVOR OF UPHOLDING RAILROAD CREDIT.

MR. EDWARDS: On behalf of the Executive Committee of the Association who have unanimously adopted a preamble and resolution, I present the same and rather than repeat the remarks that were made by Mr. Knox during his speech, which would be a fitting preface to the introduction to this resolution, for the purpose of saving time I will present this resolution now.

Whereas, The welfare of the nation's commerce and industry requires at all times adequate and efficient transportation facilities; and

Whereas, With more railroad mileage in bankruptcy at the present time than ever before, and with less new mileage built last year than in half a century; and

Whereas, These results are due in a large measure to the impairment of railroad credit because of the enforced haste which has arisen in consequence of the confusion and waste in the supervision of railroads by Congress and at the same time by forty-eight States; and

Whereas, Railroad securities are a source of investment by a large portion of the savings of this country amounting in the aggregate to nine hundred million dollars, and ten million eight hundred sixty-eight thousand dollars deposited in savings banks, both stock and mutual, and whatever affects railroads similarly affects the securities and the owners of securities; be it therefore

Resolved, That we, the Savings Bank Section of the American Bankers' Association, because of the trusteeship imposed in us through our investment in railroad securities, of savings entrusted to us, favor a system of railroad regulation which will enable Congress exclusively to exercise on behalf of all the States its constitutional power to control Interstate Commerce in the general interest; and be it further

Resolved, That the attention of Congress be called to the vital importance of upholding railroad credit and that the Committee on Federal Legislation of the American Bankers' Association be requested to send a copy of these resolutions to the Joint Committee of Congress, which is about to undertake an investigation of the railroad problem and to ask that representatives of the savings banks be heard before the passage of any law affecting the value of railroad securities.

Presented on behalf of the Executive Committee and I move its adoption.

The motion having been seconded was unanimously carried.

PRESIDENT HAWLEY: Is there any other business? If not we will hear the report of the Committee on Nominations. Mr. H. P. Beckwith, chairman.

#### NOMINATIONS AND ELECTIONS.

MR. BECKWITH: Mr. Chairman and gentlemen of the Savings Bank Section in behalf of the Nominating Committee, after going over the situation as laid before us and sifting it down from all angles, we beg to submit the following report:

For president for the ensuing year, Mr. G. E. Edwards, President of the Dollar Savings Bank, New York City.

For vice-president, J. R. Noel, President Northwest State Bank, Chicago, Illinois.

For a member of the executive committee to fill the unexpired term of G. E. Edwards, to be elected to the presidency, we want to suggest the name of Mr. Victor A. Lersner, Comptroller of the Williamsburgh Savings Bank of Brooklyn, New York, who is at present a member of the Executive Council of the committee, for the reason that Mr. Lersner has done yeoman and great work in connection with our thrift campaign, which work is not yet completed, and it will require another year or two to complete that work, and we feel he should be placed in this position to succeed Mr. Edwards on the council, to fill out his unexpired term, rather, and in order to further handle the work which he has so earnestly done. And I might add Mr. Lersner has been one of the most untiring workers we have had in the section, and he deserves all the credit and commendation that this section can give him, and we want him to continue it along for these reasons so that he can complete the work he started.

For the other member for the three-year term we suggest the name of W. S. Webb, cashier of the Missouri Savings Association Bank of Kansas City; John R. Havens, cashier of the First State Bank of

Denison, Texas, and our splendid E. L. Robinson, vice-president of the Eutaw Savings Bank of Baltimore, Maryland.

PRESIDENT HAWLEY: Gentlemen, you have heard the report of the Nominating Committee, what will you do with the report?

MR. JOHNSON: I move that the secretary be instructed to cast the vote of the association for the gentlemen named in the report. Before putting the motion please give every member present an opportunity to make any additions, corrections or amendments.

A MEMBER: I second the motion.

PRESIDENT HAWLEY: You have heard the motion and it is seconded. Are there any other nominations? If not are you ready for the question?

The vote being taken the motion was unanimously carried.

PRESIDENT HAWLEY: The secretary will please so cast the ballot.

SECRETARY HARRISON: The secretary has cast the ballot.

PRESIDENT HAWLEY: In accordance with the ballot I declare the gentlemen named by the Nominating Committee as elected to the offices of president, vice-president and to the executive committee, and at this point my trouble ends.

Mr. Edwards, this is wholly a matter of pleasure to me and to the section probably the pleasure is greater than mine, and I hope you will enjoy as much as I have the co-operation and services which the other members of the section of the association have rendered, and I wish you the greatest joy and pleasure.

MR. EDWARDS: Mr. Hawley and members of the Savings Bank Section of the American Bankers' Association, I appreciate beyond words the honor that you do me to-day in electing me to the highest office in the gift of this body. My pleasure in the past has been in co-operating with Mr. Hawley and others in connection with the executive department, as you might call it, of the section. I approach the work only with confidence provided I have the assurance of the co-operation in the future that has been given in the past, and which has been evidenced today by the absolute and unanimous support of every recommendation that has come to you from the Executive Committee. I thank you.

MR. HAWLEY: I call for a speech from Mr. Noel.

PRESIDENT EDWARDS: Will Mr. Beckwith please escort Mr. Noel forward.

MR. BECKWITH: I am sorry I don't wear glasses so that I could be as dignified as Mr. Noel.

PRESIDENT EDWARDS: Mr. Noel, I want to make you vice-president. The insignia of office I have pinned upon you is the first official duty I have performed as president of the section. The next one is to congratulate you upon your unanimous election as vice-president of the section.

MR. NOEL: Mr. President and gentlemen, if I ever was unprepared to say anything, I am at this moment. While I am and have been quite aware of the policy of the association of rotation in office, I didn't know until five minutes ago that I was chosen for this honor. I had no intimation of it at all.

If I had been consulted, gentlemen, I assure you my preference would have been for another gentleman, whose work in behalf of this association is conspicuous and is infinitely greater than mine. There are considerations which have guided the nominating committee doubtless, of which we know nothing, which has chosen me as the one in line. I shall try and carry through the trust reposed in me with dignity, although I confess to some lack of confidence in myself in view of what my predecessor has done, especially in view of this the best program in my experience that has been given us. Never before have I been so sensible of the honor that it means to be vice-president of this section of the association and with a realizing sense of the dignity and honor of this situation I shall do my best, and I thank you very heartily.

PRESIDENT EDWARDS: Are Mr. Webb and Mr. Havens in the room? The new members elected on the Executive Committee. Will Mr. Webb please step forward?

(Mr. Webb comes forward.)

PRESIDENT EDWARDS: Mr. Webb, I want to congratulate you on your election and present to you the insignia of office as a member of the Executive Committee.

MR. WEBB: In delivering an impromptu speech it is usually customary to advise the speaker long enough before hand so that he might prepare his speech. In this case, like my predecessor, I didn't know until a few minutes ago that I was re-elected to this office. I certainly appreciate it. In making my speech I feel a good deal like a colored man who was walking down the street and met his employer, and he says, "Sambo, give me change for five dollars"; he says, "Boss, I ain't got no money, but I sure do thank you for the compliment."

I feel that way about you gentlemen. I have no speech to make except to thank you for the honor you have bestowed upon me, and assure you I shall do everything in my power to fill the office to the best of my ability.

I hope each of you will enjoy yourselves here, and if not I hope you will come to headquarters and let me know, because I feel in this case I am the host and you are guests and my whole object and aim is to make all of you have a good time and if you don't I will say right now it is your own fault, because you don't let me know.

PRESIDENT EDWARDS: Mr. Havens is not present. Mr. Robinson,

(Mr. Robinson comes forward.)

PRESIDENT EDWARDS: I congratulate you on your election and I appreciate the honor of presenting to you this insignia of office.

MR. ROBINSON: Mr. President and gentlemen of the Savings Bank Section, I am sure you have heard enough from me to-day to excuse me from making any further remarks and delaying the proceedings any further at this time.

I want to say I had no intimation whatever until a very short while ago that I would be thought of in connection with this honor. I have already enjoyed the highest honor that you are able to give, and I venture to say that no man who has had the honor bestowed him that I have enjoyed at your hands, has any higher appreciation than I have of the many kindnesses I have received at your hands.

Now, gentlemen, it is one thing to do a given job that has been assigned to you properly. It is one thing to believe you have done your best in connection with a piece of work that has been assigned to you, and I think a man's conscience is perhaps sufficient reward for having done his best, but really when I consider from so many angles the personal esteem and affection in which I am held, and I confess to an inability to express proper appreciation or really an understanding of why you should so honor me. I have had sufficient reward from the work that I have been doing, but this additional mark of your esteem and affection I can assure you is exceedingly gratifying.

I want to say that the other day I came across a little piece of poetry that stuck in my mind and it came upon me in such a forcible way that I want to pass it on to you as my own life's philosophy. They were just a few lines that were written by that humble Hoosier poet who recently passed away and nothing that he has said is sweeter to me, it seems, than this:

"For the world is full of roses  
And the roses full of dew,  
And the dew is full of heaven's love,  
That is dripping for me and you."

PRESIDENT EDWARDS: Gentlemen, there is no further business scheduled for the afternoon session except that the announcement will be made by the secretary in regard to the meeting that is to be held,—the Executive Committee meeting.

SECRETARY HARRISON: Immediately following this meeting a meeting of the Executive Committee of the Savings Bank Section, including the new members, will be held in this room. If you will stay here it will be very good.

PRESIDENT EDWARDS: A motion to adjourn is in order.

A MEMBER: I move we adjourn.

The motion having been duly seconded was unanimously carried.

The meeting then adjourned.

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